
| | | | |
|-----------------------------|---|------------------------|---|
| State: | Virginia | Filing Company: | Northwestern Long Term Care Insurance Company |
| TOI/Sub-TOI: | LTC03I Individual Long Term Care/LTC03I.001 Qualified | | |
| Product Name: | 2016 LTC Risk Mitigation | | |
| Project Name/Number: | 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation | | |

Filing at a Glance

| | |
|----------------------|--|
| Company: | Northwestern Long Term Care Insurance Company |
| Product Name: | 2016 LTC Risk Mitigation |
| State: | Virginia |
| TOI: | LTC03I Individual Long Term Care |
| Sub-TOI: | LTC03I.001 Qualified |
| Filing Type: | Rate |
| Date Submitted: | 02/23/2017 |
| SERFF Tr Num: | NWST-130932377 |
| SERFF Status: | Closed-Approved |
| State Tr Num: | NWST-130932377 |
| State Status: | Approved |
| Co Tr Num: | 2016 LTC RISK MITIGATION – TT RATES |
| Implementation | On Approval |
| Date Requested: | |
| Author(s): | Angela Schaaf, Annette Huttl, Debbie Orr, Laura Olski, Lisa Phimthasak |
| Reviewer(s): | Janet Houser (primary) |
| Disposition Date: | 12/07/2017 |
| Disposition Status: | Approved |
| Implementation Date: | |

State: Virginia **Filing Company:** Northwestern Long Term Care Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2016 LTC Risk Mitigation
Project Name/Number: 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

General Information

| | |
|--|---|
| Project Name: 2016 LTC Risk Mitigation | Status of Filing in Domicile: Pending |
| Project Number: 2016 LTC Risk Mitigation | Date Approved in Domicile: |
| Requested Filing Mode: Review & Approval | Domicile Status Comments: |
| Explanation for Combination/Other: | Market Type: Individual |
| Submission Type: New Submission | Individual Market Type: |
| Overall Rate Impact: | Filing Status Changed: 12/07/2017 |
| | State Status Changed: 12/07/2017 |
| Deemer Date: | Created By: Laura Olski |
| Submitted By: Laura Olski | Corresponding Filing Tracking Number: NWST-130932376, NWST-130932341, NWST-130932373, NWST-130932340 |
| | State TOI: LTC03I Individual Long Term Care |

Filing Description:

Enclosed with this filing are revised rates for one of our inforce long-term care blocks of business (which is noted below). Please note that we have included a cover letter to the actuarial memorandum which provides additional information regarding the revised rates.

The form number and approval date for the long-term care insurance policy that is impacted is as follows:

Policy Form Number / Approval Date
TT.LTC.(1010) / 10/27/2010

We are planning to implement the rates in the third quarter of 2017 pending your department's approval.

Based on the above, your review and approval is greatly appreciated. If you have any questions, you may contact me at 414-665-1859 or email me at annettehuttl@northwesternmutual.com. For all email correspondence, please copy Laura Olski at lauraolski@northwesternmutual.com.

Sincerely,

Annette Huttl
Product Compliance Consultant
Actuarial Department

Company and Contact

Filing Contact Information

| | |
|--|--|
| Annette Huttl, Product Compliance Consultant | annettehuttl@northwesternmutual.com |
| 720 East Wisconsin Avenue | 414-665-1859 [Phone] |
| S845 | 414-625-7598 [FAX] |
| Milwaukee, WI 53202 | |

State: Virginia **Filing Company:** Northwestern Long Term Care Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2016 LTC Risk Mitigation
Project Name/Number: 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

Filing Company Information

Northwestern Long Term Care
Insurance Company
720 East Wisconsin Avenue
Rm S845
Milwaukee, WI 53202
(414) 271-1444 ext. [Phone]

CoCode: 69000
Group Code: 860
Group Name:
FEIN Number: 36-2258318

State of Domicile: Wisconsin
Company Type: Long Term
Care
State ID Number:

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

State: Virginia Filing Company: Northwestern Long Term Care Insurance Company
 TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
 Product Name: 2016 LTC Risk Mitigation
 Project Name/Number: 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

Correspondence Summary

Dispositions

| Status | Created By | Created On | Date Submitted |
|----------|--------------|------------|----------------|
| Approved | Janet Houser | 12/07/2017 | 12/07/2017 |

Objection Letters and Response Letters

Objection Letters

| Status | Created By | Created On | Date Submitted |
|--------------------------------------|--------------|------------|----------------|
| Info has been requested from company | Janet Houser | 10/03/2017 | 10/03/2017 |
| Info has been requested from company | Janet Houser | 08/31/2017 | 08/31/2017 |
| Info has been requested from company | Janet Houser | 03/21/2017 | 03/21/2017 |

Response Letters

| Responded By | Created On | Date Submitted |
|---------------|------------|----------------|
| Annette Huttl | 11/01/2017 | 11/01/2017 |
| Annette Huttl | 09/21/2017 | 09/21/2017 |
| Annette Huttl | 04/10/2017 | 04/10/2017 |

Amendments

| Schedule | Schedule Item Name | Created By | Created On | Date Submitted |
|---------------------|---|---------------|------------|----------------|
| Supporting Document | Long Term Care Insurance Rate Request Summary | Annette Huttl | 10/19/2017 | 10/19/2017 |

Filing Notes

| Subject | Note Type | Created By | Created On | Date Submitted |
|-----------------------------|------------------|---------------|------------|----------------|
| Note to Filer on 07/11/2017 | Note To Reviewer | Annette Huttl | 10/04/2017 | 10/04/2017 |
| Targeted Loss Ratio | Note To Filer | Janet Houser | 07/11/2017 | 07/11/2017 |

State: Virginia **Filing Company:** Northwestern Long Term Care Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2016 LTC Risk Mitigation
Project Name/Number: 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

Disposition

Disposition Date: 12/07/2017

Implementation Date:

Status: Approved

Comment: In approving this filing, the Company is reminded that pursuant to 14VAC5-200-153 D, it is required to provide updated experience for the next three years comparing the actual results to the results that the Company projected in justifying the rate increase. We would expect this filing to be made no later than December 31, 2019 and to include updated data through June 30, 2019.

| Company Name: | Overall % Indicated Change: | Overall % Rate Impact: | Written Premium Change for this Program: | Number of Policy Holders Affected for this Program: | Written Premium for this Program: | Maximum % Change (where req'd): | Minimum % Change (where req'd): |
|---|-----------------------------|------------------------|--|---|-----------------------------------|---------------------------------|---------------------------------|
| Northwestern Long Term Care Insurance Company | 55.000% | 27.000% | \$1,834,089 | 2,472 | \$6,792,921 | 30.000% | 0.000% |

| Schedule | Schedule Item | Schedule Item Status | Public Access |
|-------------------------------|---|-------------------------|---------------|
| Supporting Document | Certification of Compliance | | Yes |
| Supporting Document | Product Checklist | Received & Acknowledged | Yes |
| Supporting Document (revised) | L&H Actuarial Memorandum | Received & Acknowledged | Yes |
| Supporting Document (revised) | Long Term Care Insurance Rate Request Summary | Received & Acknowledged | Yes |
| Supporting Document | Filing Status | Received & Acknowledged | Yes |
| Supporting Document | Policyowner Notification Letter | Received & Acknowledged | Yes |
| Supporting Document | Assumption Comparisons | Received & Acknowledged | Yes |
| Supporting Document | VA Response Letter dated 04102017 | Received & Acknowledged | Yes |
| Supporting Document | VA Response Letter dated 09212017 | Received & Acknowledged | Yes |
| Supporting Document | L&H Actuarial Memorandum | Withdrawn | Yes |
| Supporting Document | L&H Actuarial Memorandum | Withdrawn | Yes |
| Supporting Document | L&H Actuarial Memorandum | Withdrawn | Yes |
| Supporting Document | Long Term Care Insurance Rate Request Summary | Withdrawn | Yes |
| Rate | Rates for TT.LTC.(1010) | Approved | Yes |

State: Virginia **Filing Company:** Northwestern Long Term Care Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2016 LTC Risk Mitigation
Project Name/Number: 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

Objection Letter

| | |
|-------------------------|--------------------------------------|
| Objection Letter Status | Info has been requested from company |
| Objection Letter Date | 10/03/2017 |
| Submitted Date | 10/03/2017 |
| Respond By Date | |

Dear Annette HuttI,

Introduction:

The submission is DISAPPROVED and may not be used in the Commonwealth of Virginia.

Thank you for your response. Please provide the spreadsheet "TT Exhibit 1 Loss Ratios (VA) 20170831.xlsx" with the pricing loss ratio calculated using an interest rate equal to the average statutory maximum valuation interest rate and including the Margin for Adverse Experience. For the 58%/85% Loss Ratio Test, please substitute this new loss ratio for the 58% in the test. In addition, if this new loss ratio is greater than 85%, please substitute the new loss ratio for the 85%.

Conclusion:

We shall be glad to reconsider this submission upon receipt of the information noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.

Thank you for your courtesy and consideration in this matter.

Sincerely,
Janet Houser

State: Virginia **Filing Company:** Northwestern Long Term Care Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2016 LTC Risk Mitigation
Project Name/Number: 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

Objection Letter

Objection Letter Status Info has been requested from company
Objection Letter Date 08/31/2017
Submitted Date 08/31/2017
Respond By Date

Dear Annette HuttI,

Introduction:

The submission is DISAPPROVED and may not be used in the Commonwealth of Virginia.

Thank you for your response on April 10, 2017. Before further consideration may be given, this new information presents the following concerns and /or questions:

- 1)A)In the Actuarial Memorandum, the initial expected loss ratio was not mentioned. Please include the initial expected loss ratio in the Actuarial Memorandum.
B)In the file, "VA Response Letter Dated 04102017 TT RATES.pdf," in your response to 5.b., you state that a 25% margin for claims was included in the original pricing, although you state there was no margin for moderately adverse experience ("MAE"). Please explain the difference. Please include this margin in the Actuarial Memorandum as well. For the remainder of this request, I will refer to the 25% as the MAE.
C)The amendment to the Actuarial Memorandum should include with the total Expected Loss Ratio, calculated using A) and B).
- 2)In the Actuarial Memorandum and in the supporting Loss Ratio calculation, you refer to the 58%/85% Loss Ratio Test to justify the amount of the requested rate increase. Please use the Expected Loss Ratio, including the MAE, that was intended for the policy form in this filing, rather than the 58% as in the title of this Loss Ratio Test. Also, if the Expected Loss Ratio is greater than 85%, please use the Expected Loss Ratio, rather than the 85%, in the Loss Ratio Test.

Please submit an amended Actuarial Memorandum and a copy of the Loss Ratio Test. The Loss Ratio test should be submitted as an unprotected Excel file with all formulas visible.

Conclusion:

We shall be glad to reconsider this submission upon receipt of the information noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.

Thank you for your courtesy and consideration in this matter.

Sincerely,
Janet Houser

State: Virginia **Filing Company:** Northwestern Long Term Care Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2016 LTC Risk Mitigation
Project Name/Number: 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

Objection Letter

Objection Letter Status Info has been requested from company
Objection Letter Date 03/21/2017
Submitted Date 03/21/2017
Respond By Date

Dear Annette Huttel,

Introduction:

The submission is DISAPPROVED and may not be used in the Commonwealth of Virginia.

A preliminary review of the submitted filing indicates the following concerns and questions. We'll continue our review of the submitted filing upon receipt of the following information.

1. Please provide assurances that the assumptions used in the projections are no more conservative (i.e. do not produce a higher loss ratio) than used in the company's prior year's asset adequacy testing. Please also confirm if margins are added to the assumptions outlined in section 10 (Actuarial Assumptions – Updated) within the projections. If margins are included, please describe them.

2. Please also provide brief commentary as to the relationship of the "repriced" morbidity, lapse and mortality assumptions vs. those submitted in the recent Virginia rate filing (SERFF #: NWST-130675505) for form UU.LTC(1014)REV.

3. The actuarial memorandum and rate schedule indicate that the rates vary by premium payment period (10-pay; to age 65; lifetime) and class (standard; class 1; class 2). No Expected or actual distributions of sales by this breakdown were noted. Please provide this additional information.

4. Please confirm the treatment of the waiver of premium benefit within the loss ratio exhibit.

5. It was indicated in Exhibit 1 that no anticipated lifetime loss ratio was filed with this form. The memorandum also indicates in section 11 that "The initial premium rate schedule was based on the originally filed pricing assumptions which included margin for moderately adverse experience". Per 14VAC5-200-153 B 3.f, the actuarial memorandum should include "a demonstration that actual and projected costs exceed costs anticipated at the time of initial pricing under moderately adverse experience and that the composite margin is projected to be exhausted".

a. Please provide an analysis that shows the impact of the assumption revisions on the projected costs anticipated at the time of pricing. If available, please show the impact separately for morbidity and total terminations, and compare these to the margins in each set of assumptions.

b. Please identify the composite margin that was included in the initial pricing.

c. Please clearly identify how the analyses included in the filing supports this requirement, or include additional supporting exhibits if needed.

6. The Distribution of Business by Plan indicates that 60% of the inforce policies have elected the "Automatic Additional Purchase Benefit" Indexing option. What portion of these policies have purchased additional coverage? What behavior is assumed in the projections (both with and without rate increase)?

7. The actuarial memorandum indicates a contingent benefit upon lapse will be offered to all policyholders if a rate increase is approved, as well as other various benefit reduction options. Please provide the assumptions with respect to the election of these various option in the "with rate increase" projections of the Exhibits, if any.

8. The actuarial memorandum, section 2 a, indicates a comparison is provided to rates for new business in the file "Premium Rate Compare TT2010 after increase to UU2016(0916) (VA)". Virginia rate filing (SERFF #: NWST-130675505) for form

State: Virginia **Filing Company:** Northwestern Long Term Care Insurance Company
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Product Name: 2016 LTC Risk Mitigation
Project Name/Number: 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

UU.LTC(1014)REV was approved 11/4/16, and would appear to be the most recent new business rates available in Virginia, but reflects a different form number. Please explain which rates are used in this comparison, and indicate if comparison to the recent Virginia filing would change the results of the comparison.

9.The Premium Rate Comparison is for Lifetime rates only. As a different rate increase is being requested for Limited Pay period rates than Lifetime rates, please also include a comparison of the proposed rates for the Limited Pay period rates.

10.Please clarify which class of rates are included in the Premium Rate Comparison. Are these Standard rates?

11.The Premium Rate Comparison cover page includes the following statement: "The TT.LTC.(1010) revised premium rates are lower than the UU.LTC.(0916) new business premium rates for all policy types and issue ages." Please confirm if "policy types" includes the variations in premium payment period and underwriting class.

12.The Company indicates that its experience is not credible for use in determining projection morbidity assumptions. A comparison of historical experience was provided for claim incidence, claim termination and claim utilization assumptions. As a result of these studies, the following conclusion was noted: "our overall morbidity experience to-date, although limited and not credible, does not call into question the validity of the 2014 Milliman Guidelines for this block of business." The study of actual to Milliman (expected) showed the following ratios:

- a.Incidence – overall A/E of 90%, but the slope of the table did not appear to be a good fit, with A/E increasing by policy duration for the issue ages with most claims exposure from the low 50%'s to near 120%. The issue age block with most policies has A/E of 70%;
- b.Resolutions – overall A/E of 77%, reflecting 965 actual resolutions, fairly consistent across all claim months;
- c.Utilization – overall A/E of 85%

These ratios deviate sufficiently from the mean to lead to an expectation of additional adjustments to the indicated Milliman morbidity assumptions, even if only to reflect partial credibility. Please provide any additional studies or sensitivity tests that supported the final morbidity assumptions as a best estimate that reflected reasonable fit with historical experience.

13.Please provide a breakdown of the historical incurred claims by calendar year to reflect the portion already paid vs. the portion still estimated (PVANYD reserve). Please indicate the margin, if any, included in the estimated amounts.

14.The Nationwide 2016 projected premium increased slightly from the Actual 2015 levels. Is this due to the Automatic Additional Purchase Benefit? The Nationwide 2016 projected premium increased materially from the historical levels. Please explain why the projected loss ratio in 2016 is a reasonable starting point for the projection.

15.Please provide additional description of the projected mortality rates. How do the ultimate rates and improvement scale compare to a published industry table?

16.Per 14VAC5-200-153 B, the insurer may request a rate schedule increase less than what is required if the actuarial memorandum discloses the premium rate schedule increase that would be necessary to make the certification in subdivision 2a of the subsection. The actuarial memorandum includes such as disclosure and identifies the rate increase that would be required as 55% for Lifetime payment periods and 130% for Limited payment periods. Please indicate the criteria used to determine these increase, including the margins assumed in these calculations.

17.Rate increases were requested on a basis that varies by policy benefit period and premium payment period. Please provide analysis that specifically supports the determination of the various proposed increases.

Conclusion:

We shall be glad to reconsider this submission upon receipt of the information noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.

Thank you for your courtesy and consideration in this matter.

Company Tracking #: 2016 LTC RISK MITIGATION TT
RATES

Sincerely,
Janet Houser

| | | | |
|-----------------------------|---|------------------------|---|
| State: | Virginia | Filing Company: | Northwestern Long Term Care Insurance Company |
| TOI/Sub-TOI: | LTC03I Individual Long Term Care/LTC03I.001 Qualified | | |
| Product Name: | 2016 LTC Risk Mitigation | | |
| Project Name/Number: | 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation | | |

Response Letter

| | |
|------------------------|--------------------|
| Response Letter Status | Submitted to State |
| Response Letter Date | 11/01/2017 |
| Submitted Date | 11/01/2017 |

Dear Janet Houser,

Introduction:

Good afternoon,

Response 1

Comments:

| | | | |
|-----------------------------|---|------------------------|---|
| State: | Virginia | Filing Company: | Northwestern Long Term Care Insurance Company |
| TOI/Sub-TOI: | LTC03I Individual Long Term Care/LTC03I.001 Qualified | | |
| Product Name: | 2016 LTC Risk Mitigation | | |
| Project Name/Number: | 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation | | |

The pricing loss ratio, with margin, calculated at the average statutory maximum valuation interested rate of 4% is 99.8%. The spreadsheet TT Exhibit 1 Loss Ratios (VA) 20171004 (99.8% LR Test) has been updated to use this loss ratio in the loss ratio test and we end up failing the loss ratio test. However, we do not believe that it is appropriate to use this loss ratio in the loss ratio test for several reasons.

1)Although we recognize and abide by minimum loss ratios standards, we have always priced to maintain a profitability level, whether pricing for new sales or inforce dividend analysis. We do not manage to a loss ratio target, and our current (and any future) rate increase request is not maximized to merely meet a minimum loss ratio requirement. It is also important to remember that we are not asking for the full actuarially justified rate increase that would allow the company to meet its current profitability targets today. Instead, we are asking for a relatively smaller amount that reduces the overall lifetime loss ratio based on current assumptions to around 88%, well above our original lifetime loss ratio of 74%.

2)If we are now being held to this higher standard it essentially means that at initial pricing we were unknowingly guaranteeing an investment return of 6%, which we certainly did not intend to do. If we had known that was the case we would have either, increased the morbidity margin we had established at initial pricing to cover a potentially lower investment return scenario (while targeting a loss ratio closer to the original priced-for loss ratio of 74%), built in additional investment return margin, and increased overall initial premiums accordingly (while again targeting a loss ratio closer to 74%), or not have sold the policy at all.

3)Both the initial loss ratio of 74% and the revised loss ratio of 99.8% are inconsistent with our current loss ratio projections for two reasons: They are based on the assumed mix of business while the current projections are based on actual mix (reduces the loss ratios by roughly 1%), and The 74% & 99.8% lifetime loss ratios were developed using a somewhat simplified approach for the attained age additional coverage purchased through the Automatic Additional Purchase Benefit (AAPB); a benefit that a large portion of our policies elect. The simplified approach assumed the loss ratio curve for the attained age additional benefits purchased was the same as the initial base coverage. That simplified approach caused the lifetime loss ratio to be higher than if we had reflected the true impact of the AAPB increases. Our current modeling approach does not have this shortcoming.

Reflecting both of these differences would reduce the original lifetime loss ratio from 74% to roughly 67% and would reduce the 99.8% lifetime loss ratio to roughly 92%. However, even at a 92% lifetime loss ratio we would still fail the loss ratio test. However, as we noted above, we do not believe that it is appropriate for us to be held to that standard anyway.

Changed Items:

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|-----------------------------|---|------------------------|---|
| State: | Virginia | Filing Company: | Northwestern Long Term Care Insurance Company |
| TOI/Sub-TOI: | LTC03I Individual Long Term Care/LTC03I.001 Qualified | | |
| Product Name: | 2016 LTC Risk Mitigation | | |
| Project Name/Number: | 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation | | |

| Supporting Document Schedule Item Changes | |
|---|--|
| Satisfied - Item: | L&H Actuarial Memorandum |
| Comments: | |
| Attachment(s): | Actuarial Certification TT (VA).pdf PREMCALC TT (VA).pdf Experience Exhibits (VA).pdf VA Exhibit 2 Inforce Policies and Premium (TT).pdf Inforce Filing Act Memo Cover Letter (VA) TT.pdf ACTMEMO Update TT (VA) 20170831.pdf TT Exhibit 1 Loss Ratios (VA) 20171004 (99.8 Percent LR Test).xlsx Premium Rate Compare TT2010 after increase to UU2016(1014)Rev (VA).pdf |
| <i>Previous Version</i> | |
| Satisfied - Item: | <i>L&H Actuarial Memorandum</i> |
| Comments: | |
| Attachment(s): | <i>Actuarial Certification TT (VA).pdf PREMCALC TT (VA).pdf Experience Exhibits (VA).pdf VA Exhibit 2 Inforce Policies and Premium (TT).pdf Inforce Filing Act Memo Cover Letter (VA) TT.pdf Premium Rate Compare TT2010 after increase to UU2016(1014)Rev (VA).pdf ACTMEMO Update TT (VA) 20170831.pdf TT Exhibit 1 Loss Ratios (VA) 20170831.xlsx</i> |
| <i>Previous Version</i> | |
| Satisfied - Item: | <i>L&H Actuarial Memorandum</i> |
| Comments: | |
| Attachment(s): | <i>Actuarial Certification TT (VA).pdf PREMCALC TT (VA).pdf Experience Exhibits (VA).pdf VA Exhibit 2 Inforce Policies and Premium (TT).pdf Inforce Filing Act Memo Cover Letter (VA) TT.pdf TT Exhibit 1 Loss Ratios (VA) rev 040717.xlsx Premium Rate Compare TT2010 after increase to UU2016(1014)Rev (VA).pdf ACTMEMO Update TT (VA) REV.pdf</i> |
| <i>Previous Version</i> | |
| Satisfied - Item: | <i>L&H Actuarial Memorandum</i> |
| Comments: | |
| Attachment(s): | <i>ACTMEMO Update TT (VA).pdf Actuarial Certification TT (VA).pdf TT Exhibit 1 Loss Ratios (VA).xlsx PREMCALC TT (VA).pdf Premium Rate Compare TT2010 after increase to UU2016(0916) (VA).pdf</i> |

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|----------------------|---|-----------------|---|
| State: | Virginia | Filing Company: | Northwestern Long Term Care Insurance Company |
| TOI/Sub-TOI: | LTC03I Individual Long Term Care/LTC03I.001 Qualified | | |
| Product Name: | 2016 LTC Risk Mitigation | | |
| Project Name/Number: | 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation | | |

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|--|---|
| | <i>Experience Exhibits (VA).pdf</i> <i>VA Exhibit 2 Inforce Policies and Premium (TT).pdf</i> <i>Inforce Filing Act Memo Cover Letter (VA) TT.pdf</i> |
|--|---|

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

We'd be happy to discuss these issues further with the department if you would like. Please contact me and I can coordinate a call with our actuary to discuss this.

Sincerely,
Annette HuttI

| | | | |
|----------------------|---|-----------------|---|
| State: | Virginia | Filing Company: | Northwestern Long Term Care Insurance Company |
| TOI/Sub-TOI: | LTC03I Individual Long Term Care/LTC03I.001 Qualified | | |
| Product Name: | 2016 LTC Risk Mitigation | | |
| Project Name/Number: | 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation | | |

Response Letter

| | |
|------------------------|--------------------|
| Response Letter Status | Submitted to State |
| Response Letter Date | 09/21/2017 |
| Submitted Date | 09/21/2017 |

Dear Janet Houser,

Introduction:

Good morning,

Response 1

Comments:

Please see the attached VA Response Letter 09/21/2017 for our response.

Changed Items:

| Supporting Document Schedule Item Changes | |
|---|--|
| Satisfied - Item: | VA Response Letter dated 09212017 |
| Comments: | |
| Attachment(s): | VA Response Letter Dated 09212017 TT RATES.pdf |

| | | | |
|-----------------------------|---|------------------------|---|
| State: | Virginia | Filing Company: | Northwestern Long Term Care Insurance Company |
| TOI/Sub-TOI: | LTC03I Individual Long Term Care/LTC03I.001 Qualified | | |
| Product Name: | 2016 LTC Risk Mitigation | | |
| Project Name/Number: | 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation | | |

Supporting Document Schedule Item Changes

| | |
|--------------------------|--|
| Satisfied - Item: | VA Response Letter dated 09212017 |
| Comments: | |
| Attachment(s): | VA Response Letter Dated 09212017 TT RATES.pdf |

| | |
|--------------------------|---|
| Satisfied - Item: | L&H Actuarial Memorandum |
| Comments: | |
| Attachment(s): | Actuarial Certification TT (VA).pdf PREMCALC TT (VA).pdf Experience Exhibits (VA).pdf VA Exhibit 2 Inforce Policies and Premium (TT).pdf Inforce Filing Act Memo Cover Letter (VA) TT.pdf Premium Rate Compare TT2010 after increase to UU2016(1014)Rev (VA).pdf ACTMEMO Update TT (VA) 20170831.pdf TT Exhibit 1 Loss Ratios (VA) 20170831.xlsx |

| | |
|--------------------------|---|
| <i>Previous Version</i> | |
| Satisfied - Item: | <i>L&H Actuarial Memorandum</i> |
| Comments: | |
| Attachment(s): | <i>Actuarial Certification TT (VA).pdf PREMCALC TT (VA).pdf Experience Exhibits (VA).pdf VA Exhibit 2 Inforce Policies and Premium (TT).pdf Inforce Filing Act Memo Cover Letter (VA) TT.pdf TT Exhibit 1 Loss Ratios (VA) rev 040717.xlsx Premium Rate Compare TT2010 after increase to UU2016(1014)Rev (VA).pdf ACTMEMO Update TT (VA) REV.pdf</i> |

| | |
|--------------------------|---|
| <i>Previous Version</i> | |
| Satisfied - Item: | <i>L&H Actuarial Memorandum</i> |
| Comments: | |
| Attachment(s): | <i>ACTMEMO Update TT (VA).pdf Actuarial Certification TT (VA).pdf TT Exhibit 1 Loss Ratios (VA).xlsx PREMCALC TT (VA).pdf Premium Rate Compare TT2010 after increase to UU2016(0916) (VA).pdf Experience Exhibits (VA).pdf VA Exhibit 2 Inforce Policies and Premium (TT).pdf Inforce Filing Act Memo Cover Letter (VA) TT.pdf</i> |

No Form Schedule items changed.

| | | | |
|-----------------------------|---|------------------------|---|
| State: | Virginia | Filing Company: | Northwestern Long Term Care Insurance Company |
| TOI/Sub-TOI: | LTC03I Individual Long Term Care/LTC03I.001 Qualified | | |
| Product Name: | 2016 LTC Risk Mitigation | | |
| Project Name/Number: | 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation | | |

No Rate/Rule Schedule items changed.

Conclusion:

If you have any questions or need additional information, please feel free to contact me at 414-665-1859.

Sincerely,

Annette HuttI

| | | | |
|-----------------------------|---|------------------------|---|
| State: | Virginia | Filing Company: | Northwestern Long Term Care Insurance Company |
| TOI/Sub-TOI: | LTC03I Individual Long Term Care/LTC03I.001 Qualified | | |
| Product Name: | 2016 LTC Risk Mitigation | | |
| Project Name/Number: | 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation | | |

Response Letter

| | |
|------------------------|--------------------|
| Response Letter Status | Submitted to State |
| Response Letter Date | 04/10/2017 |
| Submitted Date | 04/10/2017 |

Dear Janet Houser,

Introduction:

Good afternoon,

Response 1

Comments:

Please refer to VA Response Letter dated 04102017 attached under the Supporting Documentation tab.

Changed Items:

| Supporting Document Schedule Item Changes | |
|---|---|
| Satisfied - Item: | Assumption Comparisons |
| Comments: | |
| Attachment(s): | TT Lifetime Pay Assumption Comparison v.m.(0317) (VA).pdf TT Limited Pay Assumption Comparison v.m.(0117) (VA).pdf |

| Supporting Document Schedule Item Changes | |
|---|---|
| Satisfied - Item: | Assumption Comparisons |
| Comments: | |
| Attachment(s): | TT Lifetime Pay Assumption Comparison v.m.(0317) (VA).pdf TT Limited Pay Assumption Comparison v.m.(0117) (VA).pdf |

| | |
|--------------------------|--|
| Satisfied - Item: | VA Response Letter dated 04102017 |
| Comments: | |
| Attachment(s): | VA Response Letter Dated 04102017 TT RATES.pdf |

| | | | |
|-----------------------------|---|------------------------|---|
| State: | Virginia | Filing Company: | Northwestern Long Term Care Insurance Company |
| TOI/Sub-TOI: | LTC03I Individual Long Term Care/LTC03I.001 Qualified | | |
| Product Name: | 2016 LTC Risk Mitigation | | |
| Project Name/Number: | 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation | | |

| Supporting Document Schedule Item Changes | |
|---|--|
| Satisfied - Item: | Assumption Comparisons |
| Comments: | |
| Attachment(s): | TT Lifetime Pay Assumption Comparison v.m.(0317) (VA).pdf TT Limited Pay Assumption Comparison v.m.(0117) (VA).pdf |
| Satisfied - Item: | VA Response Letter dated 04102017 |
| Comments: | |
| Attachment(s): | VA Response Letter Dated 04102017 TT RATES.pdf |
| Satisfied - Item: | L&H Actuarial Memorandum |
| Comments: | |
| Attachment(s): | Actuarial Certification TT (VA).pdf PREMCALC TT (VA).pdf Experience Exhibits (VA).pdf VA Exhibit 2 Inforce Policies and Premium (TT).pdf Inforce Filing Act Memo Cover Letter (VA) TT.pdf TT Exhibit 1 Loss Ratios (VA) rev 040717.xlsx Premium Rate Compare TT2010 after increase to UU2016(1014)Rev (VA).pdf ACTMEMO Update TT (VA) REV.pdf |
| <i>Previous Version</i> | |
| Satisfied - Item: | <i>L&H Actuarial Memorandum</i> |
| Comments: | |
| Attachment(s): | <i>ACTMEMO Update TT (VA).pdf Actuarial Certification TT (VA).pdf TT Exhibit 1 Loss Ratios (VA).xlsx PREMCALC TT (VA).pdf Premium Rate Compare TT2010 after increase to UU2016(0916) (VA).pdf Experience Exhibits (VA).pdf VA Exhibit 2 Inforce Policies and Premium (TT).pdf Inforce Filing Act Memo Cover Letter (VA) TT.pdf</i> |

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

If you have any questions or need additional information, please feel free to contact me.

Sincerely,

Annette HuttI

| | | | |
|-----------------------------|---|------------------------|---|
| State: | Virginia | Filing Company: | Northwestern Long Term Care Insurance Company |
| TOI/Sub-TOI: | LTC03I Individual Long Term Care/LTC03I.001 Qualified | | |
| Product Name: | 2016 LTC Risk Mitigation | | |
| Project Name/Number: | 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation | | |

Amendment Letter

Submitted Date: 10/19/2017

Comments:
We have attached the correct Rate Request Summary form and revised it to reflect the effective date as "On approval" and corrected the average increase.

If you have any questions, please feel free to contact me at 414-665-1859.

Sincerely,
Annette HuttI
Changed Items:
 No Form Schedule Items Changed.
 No Rate Schedule Items Changed.

| Supporting Document Schedule Item Changes | |
|---|--|
| Satisfied - Item: | Long Term Care Insurance Rate Request Summary |
| Comments: | |
| Attachment(s): | Summary Part 1-TT.pdf VA Rate Request Summary revised TT.LTC.(1010).pdf |
| <i>Previous Version</i> | |
| Satisfied - Item: | <i>Long Term Care Insurance Rate Request Summary</i> |
| Comments: | |
| Attachment(s): | <i>VA Rate Request Summary Part 1-TT.pdf Summary Part 1-TT.pdf</i> |

| | | | |
|-----------------------------|---|------------------------|---|
| State: | Virginia | Filing Company: | Northwestern Long Term Care Insurance Company |
| TOI/Sub-TOI: | LTC03I Individual Long Term Care/LTC03I.001 Qualified | | |
| Product Name: | 2016 LTC Risk Mitigation | | |
| Project Name/Number: | 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation | | |

Note To Reviewer

Created By:

Annette Huttl on 10/04/2017 11:02 AM

Last Edited By:

Annette Huttl

Submitted On:

10/04/2017 11:02 AM

Subject:

Note to Filer on 07/11/2017

Comments:

Here is our response. We thought it was sent earlier. We apologize for this oversight.

As indicated in the cover letter of this filing, we are not asking for the entire increase that could be actuarially justified at this time. Our intention was not to forgo the right to request further increases in the future should experience not sufficiently improve, but rather avoid larger increases that our policyowners would have difficulty managing at one time.

We will continue to monitor experience over the coming years and if our experience, or expectations regarding future experience, do not improve, we may request a future increase. Such an increase could be due to high ongoing policy persistency, validation of current claim cost levels by actuarial consultants, or a prolonged low interest rate environment. However, since all of NLTC's LTC policies are participating and eligible for dividends, if experience improves, we would have the ability to return that favorable experience back to our policyowners in the form of dividends, subject to the NLTC Board approval.

In determining the full increase needs, our goal was not to determine the maximum possible premium increase to meet a specific loss ratio target, but rather to determine the rate increase necessary to meet the company's current target rate of return. The process was similar to that of a new issue pricing exercise. Changes in all relevant pricing assumptions were considered, including morbidity, mortality, lapses, expenses, investment returns and other items like changes in capital requirements. Because of the way we determine our full increase need, it is possible that improvements in assumptions that don't directly impact the loss ratio, like interest rates, could actually help mitigate our need for a future rate increase. Our goal is to manage the profitability of the product line, while operating within all minimum loss ratio requirements, not to target a specific loss ratio.

State: Virginia **Filing Company:** Northwestern Long Term Care Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2016 LTC Risk Mitigation
Project Name/Number: 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

Note To Filer

Created By:

Janet Houser on 07/11/2017 10:47 AM

Last Edited By:

Janet Houser

Submitted On:

07/11/2017 10:50 AM

Subject:

Targeted Loss Ratio

Comments:

If this increase is approved and experience develops as anticipated, will the company forgo increases in the future? If not, what would trigger a rate increase in the future? In other words, what targeted loss ratio does the company plans to manage this block in the future?

State: Virginia Filing Company: Northwestern Long Term Care Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2016 LTC Risk Mitigation
Project Name/Number: 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

Post Submission Update Request Processed On 10/30/2017

Status: Allowed
Created By: Annette HuttI
Processed By: Janet Houser
Comments:

Company Rate Information:

Company Name:Northwestern Long Term Care Insurance Company

| Field Name | Requested Change | Prior Value |
|----------------------------|------------------|-------------|
| Overall % Indicated Change | 55.000% | 27.000% |

| | | | |
|-----------------------------|---|------------------------|---|
| State: | Virginia | Filing Company: | Northwestern Long Term Care Insurance Company |
| TOI/Sub-TOI: | LTC03I Individual Long Term Care/LTC03I.001 Qualified | | |
| Product Name: | 2016 LTC Risk Mitigation | | |
| Project Name/Number: | 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation | | |

Rate Information

Rate data applies to filing.

Filing Method:

Rate Change Type: %

Overall Percentage of Last Rate Revision: %

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

SERFF Tracking Number of Last Filing:

Company Rate Information

| Company Name: | Overall % Indicated Change: | Overall % Rate Impact: | Written Premium Change for this Program: | Number of Policy Holders Affected for this Program: | Written Premium for this Program: | Maximum % Change (where req'd): | Minimum % Change (where req'd): |
|---|-----------------------------|------------------------|--|---|-----------------------------------|---------------------------------|---------------------------------|
| Northwestern Long Term Care Insurance Company | 55.000% | 27.000% | \$1,834,089 | 2,472 | \$6,792,921 | 30.000% | 0.000% |

State: Virginia **Filing Company:** Northwestern Long Term Care Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2016 LTC Risk Mitigation
Project Name/Number: 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

Rate/Rule Schedule

| Item No. | Schedule Item Status | Document Name | Affected Form Numbers (Separated with commas) | Rate Action | Rate Action Information | Attachments |
|----------|----------------------|-------------------------|---|-------------|---|----------------------------------|
| 1 | | Rates for TT.LTC.(1010) | TT.LTC.(1010) | Revised | Previous State Filing Number: NWST-126518874 Percent Rate Change Request: 27 | RATE TABLES Update TT (STD).pdf, |

Northwestern Long Term Care Insurance Company

Lifetime Pay Long-Term Care Policy TT.LTC.(1010) - Revised Rates

Annual Premium per \$100 of Long-Term Care Monthly Benefit

\$100/Month for Nursing Home, Home Care, & Adult Day Care

12 Week Elimination Period

| Issue Age | Base | | | Automatic Benefit Increase Option With Increases at 5% | | | Automatic Additional Purchase Benefit | | |
|-----------|-------|-------|-----------|---|-------|-----------|--|------|-----------|
| | 3 Yr | 6 Yr | Unlimited | 3 Yr | 6 Yr | Unlimited | 3 Yr | 6 Yr | Unlimited |
| 18 | 10.70 | 14.60 | 18.90 | 54.80 | 82.10 | 112.80 | 0.60 | 1.40 | 3.00 |
| 19 | 10.70 | 14.60 | 18.90 | 54.80 | 82.10 | 112.80 | 0.60 | 1.40 | 3.00 |
| 20 | 10.70 | 14.60 | 18.90 | 54.80 | 82.10 | 112.80 | 0.60 | 1.40 | 3.00 |
| 21 | 10.70 | 14.60 | 18.90 | 54.80 | 82.10 | 112.80 | 0.60 | 1.40 | 3.00 |
| 22 | 10.70 | 14.60 | 18.90 | 54.80 | 82.10 | 112.80 | 0.60 | 1.40 | 3.00 |
| 23 | 10.70 | 14.60 | 18.90 | 54.80 | 82.10 | 112.80 | 0.60 | 1.40 | 3.00 |
| 24 | 10.70 | 14.60 | 18.90 | 54.80 | 82.10 | 112.80 | 0.60 | 1.40 | 3.00 |
| 25 | 10.70 | 14.60 | 18.90 | 54.80 | 82.10 | 112.80 | 0.60 | 1.40 | 3.00 |
| 26 | 10.90 | 15.00 | 19.40 | 54.80 | 82.10 | 112.80 | 0.60 | 1.40 | 3.00 |
| 27 | 11.10 | 15.40 | 19.90 | 54.80 | 82.10 | 112.80 | 0.60 | 1.40 | 3.10 |
| 28 | 11.30 | 15.80 | 20.40 | 54.80 | 82.10 | 112.80 | 0.70 | 1.50 | 3.10 |
| 29 | 11.60 | 16.10 | 20.90 | 54.80 | 82.10 | 112.80 | 0.70 | 1.50 | 3.30 |
| 30 | 11.80 | 16.50 | 21.50 | 54.80 | 82.10 | 112.80 | 0.70 | 1.50 | 3.40 |
| 31 | 12.00 | 16.80 | 21.80 | 54.80 | 82.10 | 112.80 | 0.70 | 1.50 | 3.40 |
| 32 | 12.20 | 17.10 | 22.20 | 54.80 | 82.10 | 112.80 | 0.70 | 1.60 | 3.50 |
| 33 | 12.40 | 17.50 | 22.60 | 54.80 | 82.10 | 112.80 | 0.70 | 1.60 | 3.50 |
| 34 | 12.70 | 17.80 | 23.00 | 54.80 | 82.10 | 112.80 | 0.70 | 1.60 | 3.60 |
| 35 | 12.90 | 18.10 | 23.50 | 54.80 | 82.10 | 112.80 | 0.70 | 1.60 | 3.60 |
| 36 | 13.10 | 18.40 | 23.50 | 54.80 | 82.10 | 112.80 | 0.70 | 1.60 | 3.60 |
| 37 | 13.40 | 18.50 | 23.70 | 54.80 | 82.10 | 112.80 | 0.80 | 1.80 | 3.60 |
| 38 | 13.60 | 18.80 | 23.80 | 54.80 | 82.10 | 112.80 | 0.80 | 1.80 | 3.60 |
| 39 | 14.00 | 18.90 | 23.90 | 54.80 | 82.10 | 112.80 | 0.80 | 1.80 | 3.60 |
| 40 | 14.20 | 19.10 | 24.10 | 54.80 | 82.10 | 112.80 | 0.80 | 1.80 | 3.80 |
| 41 | 14.90 | 20.00 | 25.10 | 55.10 | 82.50 | 113.40 | 0.80 | 1.90 | 3.90 |
| 42 | 15.40 | 20.90 | 26.30 | 55.30 | 82.90 | 113.90 | 0.90 | 2.00 | 4.00 |
| 43 | 16.20 | 21.80 | 27.40 | 55.70 | 83.30 | 114.30 | 0.90 | 2.00 | 4.30 |
| 44 | 16.80 | 22.80 | 28.60 | 56.00 | 83.60 | 114.70 | 1.00 | 2.10 | 4.60 |
| 45 | 17.50 | 23.80 | 29.90 | 56.20 | 83.90 | 115.20 | 1.00 | 2.30 | 4.70 |
| 46 | 18.30 | 24.90 | 31.20 | 56.40 | 84.30 | 115.40 | 1.10 | 2.40 | 4.90 |
| 47 | 19.00 | 25.90 | 32.60 | 56.70 | 84.50 | 115.80 | 1.10 | 2.50 | 5.20 |
| 48 | 19.90 | 27.10 | 34.10 | 56.90 | 84.60 | 116.10 | 1.20 | 2.80 | 5.50 |
| 49 | 20.80 | 28.30 | 35.60 | 57.10 | 84.90 | 116.40 | 1.30 | 2.90 | 5.70 |
| 50 | 21.70 | 29.50 | 37.30 | 57.30 | 85.00 | 116.50 | 1.30 | 3.00 | 6.00 |
| 51 | 22.60 | 30.90 | 38.90 | 57.40 | 85.10 | 116.60 | 1.40 | 3.10 | 6.20 |
| 52 | 23.50 | 32.30 | 40.70 | 57.50 | 85.10 | 116.60 | 1.50 | 3.40 | 6.60 |
| 53 | 24.80 | 33.90 | 42.80 | 57.90 | 85.60 | 117.30 | 1.70 | 3.50 | 6.90 |
| 54 | 26.00 | 35.50 | 45.00 | 58.20 | 86.00 | 117.90 | 1.70 | 3.80 | 7.30 |
| 55 | 27.30 | 37.40 | 47.20 | 58.50 | 86.30 | 118.30 | 1.80 | 4.00 | 7.70 |
| 56 | 28.60 | 39.30 | 49.70 | 58.70 | 86.50 | 118.80 | 1.90 | 4.30 | 8.10 |
| 57 | 30.00 | 41.30 | 52.10 | 59.00 | 86.80 | 119.10 | 2.00 | 4.60 | 8.50 |
| 58 | 31.90 | 43.90 | 55.50 | 59.80 | 87.80 | 120.50 | 2.20 | 4.90 | 9.00 |
| 59 | 34.00 | 46.60 | 59.00 | 60.60 | 88.60 | 121.80 | 2.30 | 5.30 | 9.50 |
| 60 | 36.10 | 49.50 | 62.80 | 61.40 | 89.50 | 123.10 | 2.50 | 5.60 | 10.10 |
| 61 | 38.30 | 52.80 | 66.80 | 62.00 | 90.40 | 124.20 | 2.80 | 6.00 | 10.80 |
| 62 | 40.70 | 56.00 | 71.00 | 62.70 | 91.00 | 125.20 | 3.00 | 6.40 | 11.40 |
| 63 | 44.00 | 60.60 | 76.80 | 64.50 | 93.50 | 127.80 | 3.20 | 7.00 | 12.40 |
| 64 | 47.60 | 65.60 | 83.20 | 66.20 | 96.00 | 130.40 | 3.50 | 7.60 | 13.40 |

Northwestern Long Term Care Insurance Company

Lifetime Pay Long-Term Care Policy TT.LTC.(1010) - Revised Rates

Annual Premium per \$100 of Long-Term Care Monthly Benefit

\$100/Month for Nursing Home, Home Care, & Adult Day Care

12 Week Elimination Period

| Issue Age | Base | | | Automatic Benefit Increase Option With Increases at 5% | | | Automatic Additional Purchase Benefit | | |
|-----------|---------|---------|-----------|---|--------|-----------|--|--------|-----------|
| | 3 Yr | 6 Yr | Unlimited | 3 Yr | 6 Yr | Unlimited | 3 Yr | 6 Yr | Unlimited |
| 65 | 51.50 | 71.00 | 90.00 | 67.90 | 98.50 | 132.70 | 3.90 | 8.40 | 14.40 |
| 66 | 55.80 | 76.80 | 97.40 | 69.60 | 100.90 | 134.90 | 4.20 | 9.10 | 15.70 |
| 67 | 60.30 | 83.00 | 105.40 | 71.20 | 103.10 | 137.00 | 4.60 | 9.90 | 16.90 |
| 68 | 66.60 | 91.80 | 116.40 | 74.50 | 107.90 | 143.30 | 5.10 | 11.00 | 18.70 |
| 69 | 73.50 | 101.30 | 128.60 | 77.80 | 112.80 | 149.50 | 5.70 | 12.30 | 20.70 |
| 70 | 81.10 | 111.80 | 142.00 | 81.10 | 117.60 | 155.70 | 6.40 | 13.60 | 22.90 |
| 71 | 89.50 | 123.40 | 156.70 | 84.50 | 122.50 | 162.10 | 7.00 | 15.10 | 25.40 |
| 72 | 98.90 | 136.30 | 173.00 | 86.20 | 127.40 | 168.40 | 7.90 | 16.90 | 28.00 |
| 73 | 108.60 | 149.50 | 189.90 | 86.90 | 132.40 | 175.00 | 8.70 | 18.60 | 30.80 |
| 74 | 117.00 | 164.00 | 208.40 | 88.50 | 137.40 | 181.70 | 9.50 | 20.60 | 33.80 |
| 75 | 118.90 | 179.90 | 228.70 | 88.90 | 142.40 | 188.20 | 9.80 | 22.80 | 37.20 |
| 76 | 130.60 | 197.40 | 250.90 | 91.80 | 147.10 | 194.70 | 10.80 | 25.10 | 40.80 |
| 77 | 143.40 | 216.50 | 275.30 | 94.60 | 151.90 | 201.10 | 12.00 | 27.80 | 44.90 |
| 78 | 155.80 | 234.90 | 296.70 | 97.00 | 156.00 | 205.30 | 13.10 | 30.40 | 48.50 |
| 79 | 169.20 | 254.90 | 322.00 | 99.20 | 160.00 | 210.70 | 14.40 | 33.30 | 52.70 |
| 80 | 183.90* | 276.40* | 349.40* | | | | 15.80* | 36.40* | 57.30* |
| 81 | 197.30* | 296.00* | 374.10* | | | | 17.10* | 39.30* | 61.60* |
| 82 | 211.80* | 316.90* | 400.70* | | | | 18.50* | 42.30* | 66.20* |
| 83 | 227.30* | 339.30* | 429.10* | | | | 20.10* | 45.50* | 71.10* |
| 84 | 244.00* | 363.30* | 459.40* | | | | 21.70* | 49.10* | 76.40* |
| 85 | 261.80* | 389.00* | 492.10* | | | | 23.50* | 53.00* | 82.00* |
| 86 | 275.00* | 407.40* | 515.50* | | | | 24.80* | 55.60* | 85.90* |
| 87 | 288.80* | 426.60* | 539.90* | | | | 26.20* | 58.30* | 90.00* |
| 88 | 303.30* | 446.90* | 565.80* | | | | 27.60* | 61.10* | 94.30* |
| 89 | 318.60* | 468.00* | 592.70* | | | | 29.10* | 64.10* | 98.70* |
| 90 | 334.60* | 490.30* | 620.90* | | | | 30.60* | 67.40* | 103.50* |
| 91 | 346.40* | 507.00* | 643.10* | | | | 31.80* | 69.80* | 107.40* |
| 92 | 358.70* | 524.40* | 666.30* | | | | 33.00* | 72.30* | 111.70* |
| 93 | 371.40* | 542.40* | 690.20* | | | | 34.20* | 74.80* | 116.00* |
| 94 | 384.60* | 561.00* | 715.00* | | | | 35.40* | 77.40* | 120.40* |
| 95 | 398.30* | 580.30* | 740.70* | | | | 36.80* | 80.10* | 125.10* |
| 96 | 411.00* | 599.80* | 768.30* | | | | 38.00* | 83.30* | 130.50* |
| 97 | 424.20* | 619.90* | 796.90* | | | | 39.20* | 86.50* | 136.20* |
| 98 | 437.70* | 640.80* | 826.50* | | | | 40.50* | 89.80* | 142.10* |
| 99 | 451.70* | 662.40* | 857.40* | | | | 41.90* | 93.10* | 148.20* |
| 100 | 451.70* | 662.40* | 857.40* | | | | 41.90* | 93.10* | 148.20* |
| 101 | 451.70* | 662.40* | 857.40* | | | | 41.90* | 93.10* | 148.20* |
| 102 | 451.70* | 662.40* | 857.40* | | | | 41.90* | 93.10* | 148.20* |
| 103 | 451.70* | 662.40* | 857.40* | | | | 41.90* | 93.10* | 148.20* |
| 104 | 451.70* | 662.40* | 857.40* | | | | 41.90* | 93.10* | 148.20* |
| 105 | 451.70* | 662.40* | 857.40* | | | | 41.90* | 93.10* | 148.20* |
| 106 | 451.70* | 662.40* | 857.40* | | | | 41.90* | 93.10* | 148.20* |
| 107 | 451.70* | 662.40* | 857.40* | | | | 41.90* | 93.10* | 148.20* |
| 108 | 451.70* | 662.40* | 857.40* | | | | 41.90* | 93.10* | 148.20* |
| 109 | 451.70* | 662.40* | 857.40* | | | | 41.90* | 93.10* | 148.20* |
| 110 | 451.70* | 662.40* | 857.40* | | | | 41.90* | 93.10* | 148.20* |

* Rates applicable only for benefit increases after issue due to the Automatic Additional Purchase Benefit.

Northwestern Long Term Care Insurance Company

10 Pay Long-Term Care Policy TT.LTC.(1010) - Revised Rates

Annual Premium per \$100 of Long-Term Care Monthly Benefit

\$100/Month for Nursing Home, Home Care, & Adult Day Care

12 Week Elimination Period

| Issue Age | Base | | | Automatic Benefit Increase Option With Increases at 5% | | |
|-----------|-------|--------|-----------|---|--------|-----------|
| | 3 Yr | 6 Yr | Unlimited | 3 Yr | 6 Yr | Unlimited |
| 18 | 31.40 | 38.70 | 48.40 | 235.90 | 325.40 | 443.00 |
| 19 | 31.40 | 38.70 | 48.40 | 235.90 | 325.40 | 443.00 |
| 20 | 31.40 | 38.70 | 48.40 | 235.90 | 325.40 | 443.00 |
| 21 | 31.40 | 38.70 | 48.40 | 235.90 | 325.40 | 443.00 |
| 22 | 31.40 | 38.70 | 48.40 | 235.90 | 325.40 | 443.00 |
| 23 | 31.40 | 38.70 | 48.40 | 235.90 | 325.40 | 443.00 |
| 24 | 31.40 | 38.70 | 48.40 | 235.90 | 325.40 | 443.00 |
| 25 | 31.40 | 38.70 | 48.40 | 235.90 | 325.40 | 443.00 |
| 26 | 32.00 | 39.80 | 49.80 | 232.90 | 320.50 | 436.40 |
| 27 | 32.80 | 40.60 | 51.20 | 229.80 | 315.80 | 429.80 |
| 28 | 33.40 | 41.70 | 52.80 | 226.60 | 311.00 | 423.40 |
| 29 | 34.10 | 42.70 | 54.30 | 223.50 | 306.30 | 416.80 |
| 30 | 34.90 | 43.80 | 55.90 | 220.40 | 301.60 | 410.30 |
| 31 | 35.30 | 44.30 | 56.40 | 217.30 | 297.40 | 404.80 |
| 32 | 35.80 | 45.00 | 57.00 | 214.30 | 293.20 | 399.40 |
| 33 | 36.10 | 45.60 | 57.50 | 211.10 | 289.10 | 394.10 |
| 34 | 36.60 | 46.20 | 58.20 | 208.10 | 285.00 | 388.70 |
| 35 | 37.10 | 46.70 | 58.80 | 205.00 | 280.90 | 383.40 |
| 36 | 37.60 | 47.40 | 59.50 | 202.00 | 277.00 | 378.10 |
| 37 | 38.30 | 47.90 | 60.20 | 198.90 | 273.10 | 372.70 |
| 38 | 38.90 | 48.40 | 61.00 | 195.80 | 269.10 | 367.40 |
| 39 | 39.40 | 48.90 | 61.80 | 192.80 | 265.30 | 362.20 |
| 40 | 40.00 | 49.40 | 62.60 | 189.60 | 261.50 | 356.90 |
| 41 | 41.30 | 51.20 | 64.80 | 188.00 | 259.00 | 353.50 |
| 42 | 42.60 | 53.00 | 67.00 | 186.30 | 256.50 | 349.80 |
| 43 | 44.00 | 54.70 | 69.30 | 184.40 | 254.00 | 346.10 |
| 44 | 45.40 | 56.60 | 71.70 | 182.60 | 251.30 | 342.40 |
| 45 | 46.90 | 58.70 | 74.20 | 180.80 | 248.70 | 338.60 |
| 46 | 48.40 | 60.70 | 76.80 | 178.80 | 245.90 | 334.60 |
| 47 | 49.90 | 62.70 | 79.50 | 176.80 | 243.10 | 330.60 |
| 48 | 51.50 | 64.90 | 82.20 | 174.80 | 240.20 | 326.60 |
| 49 | 53.10 | 67.20 | 85.10 | 172.80 | 237.20 | 322.40 |
| 50 | 54.90 | 69.50 | 88.00 | 170.60 | 234.20 | 318.10 |
| 51 | 56.60 | 71.90 | 91.10 | 168.40 | 231.00 | 313.70 |
| 52 | 58.40 | 74.40 | 94.30 | 166.10 | 227.80 | 309.30 |
| 53 | 60.40 | 77.10 | 97.80 | 164.60 | 225.30 | 305.70 |
| 54 | 62.40 | 79.80 | 101.50 | 163.00 | 222.60 | 302.00 |
| 55 | 64.50 | 82.70 | 105.30 | 161.40 | 219.80 | 298.20 |
| 56 | 66.60 | 85.60 | 109.30 | 159.60 | 216.90 | 294.20 |
| 57 | 68.90 | 88.60 | 113.40 | 157.90 | 214.00 | 290.10 |
| 58 | 72.00 | 92.60 | 118.30 | 156.50 | 212.30 | 287.00 |
| 59 | 75.30 | 96.60 | 123.60 | 154.90 | 210.60 | 283.80 |
| 60 | 78.60 | 101.00 | 129.10 | 153.30 | 208.70 | 280.30 |
| 61 | 82.10 | 105.50 | 134.80 | 151.40 | 206.60 | 276.60 |
| 62 | 85.80 | 110.20 | 140.70 | 149.40 | 204.30 | 272.60 |
| 63 | 90.40 | 116.20 | 148.60 | 148.60 | 202.80 | 270.50 |
| 64 | 95.30 | 122.60 | 156.90 | 147.60 | 201.20 | 267.90 |

Northwestern Long Term Care Insurance Company

10 Pay Long-Term Care Policy TT.LTC.(1010) - Revised Rates

Annual Premium per \$100 of Long-Term Care Monthly Benefit

\$100/Month for Nursing Home, Home Care, & Adult Day Care

12 Week Elimination Period

| Issue Age | Base | | | Automatic Benefit Increase Option With Increases at 5% | | |
|-----------|--------|--------|-----------|---|--------|-----------|
| | 3 Yr | 6 Yr | Unlimited | 3 Yr | 6 Yr | Unlimited |
| 65 | 100.40 | 129.20 | 165.50 | 146.50 | 199.10 | 265.10 |
| 66 | 105.80 | 136.10 | 174.80 | 145.00 | 196.90 | 261.70 |
| 67 | 111.40 | 143.50 | 184.50 | 143.40 | 194.30 | 258.00 |
| 68 | 119.50 | 153.90 | 197.50 | 145.10 | 196.50 | 260.50 |
| 69 | 128.10 | 165.00 | 211.40 | 146.50 | 198.40 | 262.60 |
| 70 | 137.40 | 176.90 | 226.30 | 147.80 | 199.90 | 264.20 |
| 71 | 147.30 | 189.70 | 242.10 | 148.60 | 201.00 | 265.50 |
| 72 | 158.00 | 203.50 | 259.20 | 149.30 | 201.90 | 266.10 |
| 73 | 168.60 | 217.20 | 276.80 | 150.60 | 203.80 | 268.30 |
| 74 | 180.10 | 231.80 | 295.50 | 151.80 | 205.50 | 270.10 |
| 75 | 192.30 | 247.30 | 315.70 | 152.50 | 206.90 | 271.30 |
| 76 | 205.40 | 263.90 | 337.10 | 153.00 | 207.80 | 272.10 |
| 77 | 219.30 | 281.70 | 359.90 | 153.10 | 208.30 | 272.10 |
| 78 | 259.00 | 317.40 | 391.50 | 163.60 | 214.00 | 275.00 |
| 79 | 281.40 | 344.30 | 424.90 | 167.40 | 219.30 | 282.30 |

Northwestern Long Term Care Insurance Company

To Age 65 Long-Term Care Policy TT.LTC.(1010) - Revised Rates

Annual Premium per \$100 of Long-Term Care Monthly Benefit

\$100/Month for Nursing Home, Home Care, & Adult Day Care

12 Week Elimination Period

| Issue Age | Base | | | Automatic Benefit Increase Option With Increases at 5% | | |
|-----------|-------|-------|-----------|---|--------|-----------|
| | 3 Yr | 6 Yr | Unlimited | 3 Yr | 6 Yr | Unlimited |
| 18 | 15.00 | 18.20 | 22.60 | 100.50 | 137.70 | 184.90 |
| 19 | 15.00 | 18.20 | 22.60 | 100.50 | 137.70 | 184.90 |
| 20 | 15.00 | 18.20 | 22.60 | 100.50 | 137.70 | 184.90 |
| 21 | 15.00 | 18.20 | 22.60 | 100.50 | 137.70 | 184.90 |
| 22 | 15.00 | 18.20 | 22.60 | 100.50 | 137.70 | 184.90 |
| 23 | 15.00 | 18.20 | 22.60 | 100.50 | 137.70 | 184.90 |
| 24 | 15.00 | 18.20 | 22.60 | 100.50 | 137.70 | 184.90 |
| | | | | | | |
| 25 | 15.00 | 18.20 | 22.60 | 100.50 | 137.70 | 184.90 |
| 26 | 15.40 | 18.80 | 23.50 | 100.30 | 137.30 | 184.30 |
| 27 | 15.90 | 19.30 | 24.30 | 100.00 | 136.90 | 183.80 |
| 28 | 16.30 | 19.90 | 25.00 | 99.80 | 136.50 | 183.30 |
| 29 | 16.80 | 20.60 | 25.90 | 99.40 | 136.10 | 182.80 |
| | | | | | | |
| 30 | 17.10 | 21.30 | 26.80 | 99.10 | 135.60 | 182.10 |
| 31 | 17.60 | 21.80 | 27.50 | 99.40 | 135.90 | 182.70 |
| 32 | 18.00 | 22.40 | 28.10 | 99.50 | 136.30 | 183.10 |
| 33 | 18.40 | 22.90 | 28.80 | 99.60 | 136.50 | 183.40 |
| 34 | 18.90 | 23.50 | 29.50 | 99.90 | 136.70 | 183.80 |
| | | | | | | |
| 35 | 19.40 | 24.00 | 30.20 | 100.00 | 136.90 | 184.20 |
| 36 | 19.90 | 24.80 | 31.10 | 100.60 | 137.90 | 185.50 |
| 37 | 20.50 | 25.40 | 31.90 | 101.30 | 138.80 | 186.80 |
| 38 | 21.10 | 26.20 | 32.80 | 101.90 | 139.80 | 188.20 |
| 39 | 21.80 | 26.90 | 33.70 | 102.50 | 140.70 | 189.50 |
| | | | | | | |
| 40 | 22.40 | 27.70 | 34.60 | 103.00 | 141.60 | 190.80 |
| 41 | 23.90 | 29.60 | 37.00 | 105.60 | 145.30 | 195.80 |
| 42 | 25.40 | 31.50 | 39.60 | 108.40 | 149.00 | 200.90 |
| 43 | 27.10 | 33.70 | 42.30 | 111.00 | 152.70 | 206.00 |
| 44 | 28.90 | 35.90 | 45.30 | 113.80 | 156.30 | 211.20 |
| | | | | | | |
| 45 | 30.80 | 38.40 | 48.40 | 116.50 | 160.10 | 216.30 |
| 46 | 32.80 | 41.00 | 51.70 | 119.30 | 164.00 | 221.60 |
| 47 | 34.90 | 43.70 | 55.30 | 122.10 | 167.90 | 227.00 |
| 48 | 37.10 | 46.70 | 59.20 | 124.90 | 171.80 | 232.50 |
| 49 | 39.60 | 49.80 | 63.20 | 127.80 | 175.60 | 237.90 |
| | | | | | | |
| 50 | 42.30 | 53.20 | 67.60 | 130.60 | 179.60 | 243.30 |
| 51 | 45.00 | 56.80 | 72.40 | 133.50 | 183.60 | 248.70 |
| 52 | 47.90 | 60.60 | 77.40 | 136.40 | 187.60 | 254.30 |
| 53 | 52.90 | 67.20 | 85.80 | 144.40 | 197.90 | 268.30 |
| 54 | 58.40 | 74.50 | 94.90 | 152.60 | 208.70 | 282.90 |

Northwestern Long Term Care Insurance Company

Lifetime Pay Paid-Up Non-forfeiture Benefit TT.LTC.(1010) - Revised Rates

Annual Premium per \$100 of Long-Term Care Monthly Benefit

\$100/Month for Nursing Home, Home Care, & Adult Day Care

12 Week Elimination Period

| Issue Age | Base | | | Automatic Benefit Increase Option With Increases at 5% | | | Automatic Additional Purchase Benefit | | |
|-----------|------|------|-----------|---|------|-----------|--|------|-----------|
| | 3 Yr | 6 Yr | Unlimited | 3 Yr | 6 Yr | Unlimited | 3 Yr | 6 Yr | Unlimited |
| 18 | 1.70 | 1.80 | 2.00 | 2.30 | 2.80 | 3.40 | 0.10 | 0.10 | 0.10 |
| 19 | 1.70 | 1.80 | 2.00 | 2.30 | 2.80 | 3.40 | 0.10 | 0.10 | 0.10 |
| 20 | 1.70 | 1.80 | 2.00 | 2.30 | 2.80 | 3.40 | 0.10 | 0.10 | 0.10 |
| 21 | 1.70 | 1.80 | 2.00 | 2.30 | 2.80 | 3.40 | 0.10 | 0.10 | 0.10 |
| 22 | 1.70 | 1.80 | 2.00 | 2.30 | 2.80 | 3.40 | 0.10 | 0.10 | 0.10 |
| 23 | 1.70 | 1.80 | 2.00 | 2.30 | 2.80 | 3.40 | 0.10 | 0.10 | 0.10 |
| 24 | 1.70 | 1.80 | 2.00 | 2.30 | 2.80 | 3.40 | 0.10 | 0.10 | 0.10 |
| 25 | 1.70 | 1.80 | 2.00 | 2.30 | 2.80 | 3.40 | 0.10 | 0.10 | 0.10 |
| 26 | 1.70 | 1.80 | 2.00 | 2.30 | 2.80 | 3.40 | 0.10 | 0.10 | 0.10 |
| 27 | 1.70 | 1.90 | 2.10 | 2.30 | 2.80 | 3.40 | 0.10 | 0.10 | 0.10 |
| 28 | 1.80 | 1.90 | 2.20 | 2.30 | 2.80 | 3.40 | 0.10 | 0.10 | 0.10 |
| 29 | 1.80 | 2.00 | 2.20 | 2.40 | 2.80 | 3.40 | 0.10 | 0.10 | 0.10 |
| 30 | 1.80 | 2.00 | 2.30 | 2.40 | 2.90 | 3.40 | 0.10 | 0.10 | 0.10 |
| 31 | 1.90 | 2.10 | 2.30 | 2.40 | 2.90 | 3.50 | 0.10 | 0.10 | 0.10 |
| 32 | 1.90 | 2.10 | 2.30 | 2.40 | 2.90 | 3.50 | 0.10 | 0.10 | 0.10 |
| 33 | 1.90 | 2.10 | 2.40 | 2.40 | 2.90 | 3.50 | 0.10 | 0.10 | 0.20 |
| 34 | 1.90 | 2.20 | 2.40 | 2.40 | 2.90 | 3.50 | 0.10 | 0.10 | 0.20 |
| 35 | 2.00 | 2.20 | 2.50 | 2.40 | 2.90 | 3.50 | 0.10 | 0.10 | 0.20 |
| 36 | 2.00 | 2.20 | 2.50 | 2.40 | 2.90 | 3.50 | 0.10 | 0.10 | 0.20 |
| 37 | 2.10 | 2.30 | 2.50 | 2.40 | 2.90 | 3.50 | 0.10 | 0.10 | 0.20 |
| 38 | 2.10 | 2.30 | 2.50 | 2.40 | 2.90 | 3.50 | 0.10 | 0.10 | 0.20 |
| 39 | 2.20 | 2.30 | 2.50 | 2.40 | 2.90 | 3.50 | 0.10 | 0.10 | 0.20 |
| 40 | 2.20 | 2.30 | 2.50 | 2.40 | 2.90 | 3.50 | 0.10 | 0.10 | 0.20 |
| 41 | 2.30 | 2.40 | 2.60 | 2.50 | 3.00 | 3.60 | 0.10 | 0.10 | 0.20 |
| 42 | 2.30 | 2.50 | 2.70 | 2.60 | 3.10 | 3.70 | 0.10 | 0.10 | 0.20 |
| 43 | 2.40 | 2.60 | 2.80 | 2.70 | 3.20 | 3.90 | 0.10 | 0.10 | 0.20 |
| 44 | 2.50 | 2.70 | 2.90 | 2.80 | 3.30 | 4.00 | 0.10 | 0.10 | 0.20 |
| 45 | 2.60 | 2.80 | 3.00 | 2.90 | 3.50 | 4.10 | 0.10 | 0.10 | 0.20 |
| 46 | 2.70 | 2.80 | 3.10 | 3.00 | 3.60 | 4.30 | 0.10 | 0.10 | 0.30 |
| 47 | 2.70 | 2.90 | 3.20 | 3.10 | 3.70 | 4.40 | 0.10 | 0.10 | 0.30 |
| 48 | 2.80 | 3.00 | 3.30 | 3.30 | 3.80 | 4.50 | 0.10 | 0.10 | 0.30 |
| 49 | 2.90 | 3.10 | 3.40 | 3.40 | 3.90 | 4.70 | 0.10 | 0.20 | 0.30 |
| 50 | 3.00 | 3.20 | 3.60 | 3.50 | 4.10 | 4.80 | 0.10 | 0.20 | 0.40 |
| 51 | 3.10 | 3.30 | 3.70 | 3.60 | 4.20 | 5.00 | 0.10 | 0.20 | 0.40 |
| 52 | 3.20 | 3.50 | 3.80 | 3.80 | 4.40 | 5.10 | 0.10 | 0.20 | 0.40 |
| 53 | 3.30 | 3.60 | 4.00 | 3.90 | 4.50 | 5.30 | 0.10 | 0.20 | 0.40 |
| 54 | 3.50 | 3.70 | 4.10 | 4.00 | 4.60 | 5.40 | 0.10 | 0.20 | 0.50 |
| 55 | 3.60 | 3.90 | 4.30 | 4.10 | 4.70 | 5.50 | 0.10 | 0.30 | 0.50 |
| 56 | 3.70 | 4.00 | 4.50 | 4.30 | 4.80 | 5.70 | 0.20 | 0.30 | 0.50 |
| 57 | 3.90 | 4.20 | 4.60 | 4.40 | 5.00 | 5.80 | 0.20 | 0.30 | 0.50 |
| 58 | 4.10 | 4.40 | 4.90 | 4.50 | 5.00 | 5.90 | 0.20 | 0.30 | 0.60 |
| 59 | 4.30 | 4.60 | 5.10 | 4.60 | 5.10 | 6.00 | 0.20 | 0.40 | 0.60 |
| 60 | 4.50 | 4.80 | 5.40 | 4.70 | 5.20 | 6.10 | 0.20 | 0.40 | 0.70 |
| 61 | 4.70 | 5.10 | 5.70 | 4.80 | 5.30 | 6.30 | 0.30 | 0.40 | 0.70 |
| 62 | 4.90 | 5.30 | 6.00 | 4.90 | 5.40 | 6.40 | 0.30 | 0.50 | 0.70 |
| 63 | 5.20 | 5.70 | 6.40 | 5.10 | 5.50 | 6.50 | 0.30 | 0.50 | 0.80 |
| 64 | 5.50 | 6.10 | 6.90 | 5.30 | 5.60 | 6.60 | 0.30 | 0.50 | 0.90 |

Northwestern Long Term Care Insurance Company

Lifetime Pay Paid-Up Non-forfeiture Benefit TT.LTC.(1010) - Revised Rates

Annual Premium per \$100 of Long-Term Care Monthly Benefit

\$100/Month for Nursing Home, Home Care, & Adult Day Care

12 Week Elimination Period

| Issue Age | Base | | | Automatic Benefit Increase Option With Increases at 5% | | | Automatic Additional Purchase Benefit | | |
|-----------|--------|--------|-----------|---|------|-----------|--|-------|-----------|
| | 3 Yr | 6 Yr | Unlimited | 3 Yr | 6 Yr | Unlimited | 3 Yr | 6 Yr | Unlimited |
| 65 | 5.90 | 6.50 | 7.30 | 5.50 | 5.80 | 6.80 | 0.40 | 0.60 | 0.90 |
| 66 | 6.20 | 6.90 | 7.90 | 5.70 | 5.90 | 6.90 | 0.40 | 0.60 | 1.00 |
| 67 | 6.60 | 7.40 | 8.40 | 5.90 | 6.10 | 7.10 | 0.50 | 0.70 | 1.10 |
| 68 | 7.00 | 7.90 | 9.00 | 6.00 | 6.40 | 7.40 | 0.50 | 0.80 | 1.20 |
| 69 | 7.50 | 8.50 | 9.70 | 6.20 | 6.70 | 7.80 | 0.60 | 0.90 | 1.30 |
| 70 | 8.00 | 9.10 | 10.40 | 6.40 | 7.00 | 8.10 | 0.60 | 0.90 | 1.40 |
| 71 | 8.60 | 9.70 | 11.20 | 6.60 | 7.30 | 8.50 | 0.70 | 1.00 | 1.60 |
| 72 | 9.20 | 10.40 | 12.10 | 6.80 | 7.60 | 8.90 | 0.70 | 1.20 | 1.70 |
| 73 | 9.70 | 10.80 | 12.50 | 7.00 | 7.80 | 9.10 | 0.80 | 1.20 | 1.80 |
| 74 | 10.20 | 11.30 | 12.90 | 7.20 | 8.10 | 9.40 | 0.80 | 1.30 | 1.90 |
| 75 | 10.80 | 11.70 | 13.40 | 7.40 | 8.30 | 9.70 | 0.90 | 1.40 | 2.00 |
| 76 | 11.40 | 12.20 | 13.90 | 7.70 | 8.60 | 10.00 | 0.90 | 1.40 | 2.10 |
| 77 | 12.00 | 12.70 | 14.40 | 7.90 | 8.80 | 10.30 | 0.90 | 1.50 | 2.20 |
| 78 | 12.60 | 13.70 | 15.30 | 8.10 | 9.10 | 10.50 | 1.00 | 1.60 | 2.70 |
| 79 | 13.20 | 14.30 | 16.10 | 8.40 | 9.40 | 10.80 | 1.10 | 1.80 | 2.90 |
| 80 | 13.80* | 15.00* | 16.80* | | | | 1.20* | 1.90* | 3.10* |
| 81 | 14.60* | 15.80* | 17.70* | | | | 1.30* | 2.00* | 3.30* |
| 82 | 15.40* | 16.70* | 18.70* | | | | 1.30* | 2.20* | 3.60* |
| 83 | 16.20* | 17.60* | 19.80* | | | | 1.40* | 2.40* | 3.80* |
| 84 | 17.10* | 18.60* | 20.90* | | | | 1.60* | 2.50* | 4.10* |
| 85 | 18.10* | 19.60* | 22.00* | | | | 1.70* | 2.70* | 4.40* |
| 86 | 19.70* | 21.40* | 24.00* | | | | 1.80* | 2.90* | 4.80* |
| 87 | 21.50* | 23.40* | 26.20* | | | | 1.90* | 3.10* | 5.10* |
| 88 | 23.40* | 25.40* | 28.50* | | | | 2.10* | 3.40* | 5.50* |
| 89 | 25.50* | 27.70* | 31.00* | | | | 2.20* | 3.60* | 5.90* |
| 90 | 27.70* | 30.10* | 33.70* | | | | 2.40* | 3.90* | 6.40* |
| 91 | 28.30* | 30.70* | 34.40* | | | | 2.60* | 4.20* | 6.90* |
| 92 | 28.80* | 31.30* | 35.10* | | | | 2.80* | 4.50* | 7.40* |
| 93 | 29.40* | 32.00* | 35.80* | | | | 3.00* | 4.90* | 7.90* |
| 94 | 30.10* | 32.60* | 36.60* | | | | 3.20* | 5.20* | 8.50* |
| 95 | 30.70* | 33.30* | 37.30* | | | | 3.40* | 5.60* | 9.10* |
| 96 | 30.70* | 33.30* | 37.30* | | | | 3.40* | 5.60* | 9.10* |
| 97 | 30.70* | 33.30* | 37.30* | | | | 3.40* | 5.60* | 9.10* |
| 98 | 30.70* | 33.30* | 37.30* | | | | 3.40* | 5.60* | 9.10* |
| 99 | 30.70* | 33.30* | 37.30* | | | | 3.40* | 5.60* | 9.10* |
| 100 | 30.70* | 33.30* | 37.30* | | | | 3.40* | 5.60* | 9.10* |
| 101 | 30.70* | 33.30* | 37.30* | | | | 3.40* | 5.60* | 9.10* |
| 102 | 30.70* | 33.30* | 37.30* | | | | 3.40* | 5.60* | 9.10* |
| 103 | 30.70* | 33.30* | 37.30* | | | | 3.40* | 5.60* | 9.10* |
| 104 | 30.70* | 33.30* | 37.30* | | | | 3.40* | 5.60* | 9.10* |
| 105 | 30.70* | 33.30* | 37.30* | | | | 3.40* | 5.60* | 9.10* |
| 106 | 30.70* | 33.30* | 37.30* | | | | 3.40* | 5.60* | 9.10* |
| 107 | 30.70* | 33.30* | 37.30* | | | | 3.40* | 5.60* | 9.10* |
| 108 | 30.70* | 33.30* | 37.30* | | | | 3.40* | 5.60* | 9.10* |
| 109 | 30.70* | 33.30* | 37.30* | | | | 3.40* | 5.60* | 9.10* |
| 110 | 30.70* | 33.30* | 37.30* | | | | 3.40* | 5.60* | 9.10* |

* Rates applicable only for benefit increases after issue due to the Automatic Additional Purchase Benefit.

Northwestern Long Term Care Insurance Company

Survivorship Benefit Premium Percentage TT.LTC.(1010) - Revised Rates

| Issue Age | Base | Base Policy Plus Automatic Benefit Increase Option | Base Policy Plus Automatic Additional Purchase Benefit |
|-----------|--------|--|--|
| 18 | 12.00% | 21.00% | 17.00% |
| 19 | 12.00% | 21.00% | 17.00% |
| 20 | 12.00% | 21.00% | 17.00% |
| 21 | 12.00% | 21.00% | 17.00% |
| 22 | 12.00% | 21.00% | 17.00% |
| 23 | 12.00% | 21.00% | 17.00% |
| 24 | 12.00% | 21.00% | 17.00% |
| 25 | 12.00% | 21.00% | 17.00% |
| 26 | 12.00% | 21.00% | 17.00% |
| 27 | 12.00% | 21.00% | 17.00% |
| 28 | 12.00% | 21.00% | 17.00% |
| 29 | 12.00% | 21.00% | 17.00% |
| 30 | 12.00% | 21.00% | 17.00% |
| 31 | 12.00% | 21.00% | 17.00% |
| 32 | 12.00% | 21.00% | 17.00% |
| 33 | 12.00% | 21.00% | 17.00% |
| 34 | 12.00% | 21.00% | 17.00% |
| 35 | 12.00% | 21.00% | 17.00% |
| 36 | 12.00% | 21.00% | 17.00% |
| 37 | 12.00% | 21.00% | 17.00% |
| 38 | 12.00% | 21.00% | 17.00% |
| 39 | 12.00% | 21.00% | 17.00% |
| 40 | 12.00% | 21.00% | 17.00% |
| 41 | 12.00% | 22.00% | 17.00% |
| 42 | 12.00% | 22.00% | 18.00% |
| 43 | 13.00% | 22.00% | 18.00% |
| 44 | 13.00% | 22.00% | 19.00% |
| 45 | 14.00% | 23.00% | 19.00% |
| 46 | 14.00% | 23.00% | 20.00% |
| 47 | 15.00% | 23.00% | 20.00% |
| 48 | 15.00% | 24.00% | 21.00% |
| 49 | 15.00% | 24.00% | 22.00% |
| 50 | 16.00% | 24.00% | 22.00% |
| 51 | 16.00% | 24.00% | 23.00% |
| 52 | 17.00% | 25.00% | 23.00% |
| 53 | 17.00% | 25.00% | 24.00% |
| 54 | 17.00% | 25.00% | 24.00% |
| 55 | 18.00% | 25.00% | 24.00% |
| 56 | 18.00% | 25.00% | 25.00% |
| 57 | 19.00% | 26.00% | 25.00% |
| 58 | 19.00% | 26.00% | 25.00% |
| 59 | 19.00% | 26.00% | 26.00% |
| 60 | 20.00% | 26.00% | 26.00% |
| 61 | 20.00% | 26.00% | 26.00% |
| 62 | 20.00% | 27.00% | 27.00% |
| 63 | 20.00% | 27.00% | 27.00% |
| 64 | 21.00% | 27.00% | 27.00% |

Northwestern Long Term Care Insurance Company

Survivorship Benefit Premium Percentage TT.LTC.(1010) - Revised Rates

| Issue Age | Base | Base Policy Plus Automatic Benefit Increase Option | Base Policy Plus Automatic Additional Purchase Benefit |
|-----------|---------|--|--|
| 65 | 21.00% | 27.00% | 27.00% |
| 66 | 21.00% | 27.00% | 27.00% |
| 67 | 22.00% | 27.00% | 27.00% |
| 68 | 22.00% | 27.00% | 27.00% |
| 69 | 22.00% | 26.00% | 26.00% |
| 70 | 22.00% | 26.00% | 26.00% |
| 71 | 22.00% | 26.00% | 26.00% |
| 72 | 22.00% | 26.00% | 25.00% |
| 73 | 21.00% | 25.00% | 24.00% |
| 74 | 21.00% | 25.00% | 23.00% |
| 75 | 21.00% | 24.00% | 23.00% |
| 76 | 20.00% | 24.00% | 22.00% |
| 77 | 20.00% | 23.00% | 21.00% |
| 78 | 20.00% | 23.00% | 21.00% |
| 79 | 20.00% | 23.00% | 21.00% |
| 80 | 20.00%* | | 21.00%* |
| 81 | 20.00%* | | 21.00%* |
| 82 | 20.00%* | | 21.00%* |
| 83 | 20.00%* | | 21.00%* |
| 84 | 20.00%* | | 21.00%* |
| 85 | 20.00%* | | 21.00%* |
| 86 | 20.00%* | | 21.00%* |
| 87 | 20.00%* | | 21.00%* |
| 88 | 20.00%* | | 21.00%* |
| 89 | 20.00%* | | 21.00%* |
| 90 | 20.00%* | | 21.00%* |
| 91 | 20.00%* | | 21.00%* |
| 92 | 20.00%* | | 21.00%* |
| 93 | 20.00%* | | 21.00%* |
| 94 | 20.00%* | | 21.00%* |
| 95 | 20.00%* | | 21.00%* |
| 96 | 20.00%* | | 21.00%* |
| 97 | 20.00%* | | 21.00%* |
| 98 | 20.00%* | | 21.00%* |
| 99 | 20.00%* | | 21.00%* |
| 100 | 20.00%* | | 21.00%* |
| 101 | 20.00%* | | 21.00%* |
| 102 | 20.00%* | | 21.00%* |
| 103 | 20.00%* | | 21.00%* |
| 104 | 20.00%* | | 21.00%* |
| 105 | 20.00%* | | 21.00%* |
| 106 | 20.00%* | | 21.00%* |
| 107 | 20.00%* | | 21.00%* |
| 108 | 20.00%* | | 21.00%* |
| 109 | 20.00%* | | 21.00%* |
| 110 | 20.00%* | | 21.00%* |

* Percentages applicable only for benefit increases after issue due to the Automatic Additional Purchase Benefit.

| | | | |
|-----------------------------|---|------------------------|---|
| State: | Virginia | Filing Company: | Northwestern Long Term Care Insurance Company |
| TOI/Sub-TOI: | LTC03I Individual Long Term Care/LTC03I.001 Qualified | | |
| Product Name: | 2016 LTC Risk Mitigation | | |
| Project Name/Number: | 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation | | |

Supporting Document Schedules

| | |
|-------------------------|--|
| Bypassed - Item: | Certification of Compliance |
| Bypass Reason: | Not applicable for this filing. No forms are included. |
| Attachment(s): | |
| Item Status: | |
| Status Date: | |

| | |
|--------------------------|--|
| Satisfied - Item: | Product Checklist |
| Comments: | |
| Attachment(s): | VA Review Requirements Checklist Ind LTC Ins.pdf |
| Item Status: | Received & Acknowledged |
| Status Date: | 03/21/2017 |

| | |
|--------------------------|--|
| Satisfied - Item: | L&H Actuarial Memorandum |
| Comments: | |
| Attachment(s): | Actuarial Certification TT (VA).pdf PREMCALC TT (VA).pdf Experience Exhibits (VA).pdf VA Exhibit 2 Inforce Policies and Premium (TT).pdf Inforce Filing Act Memo Cover Letter (VA) TT.pdf ACTMEMO Update TT (VA) 20170831.pdf TT Exhibit 1 Loss Ratios (VA) 20171004 (99.8 Percent LR Test).xlsx Premium Rate Compare TT2010 after increase to UU2016(1014)Rev (VA).pdf |
| Item Status: | Received & Acknowledged |
| Status Date: | 12/07/2017 |

| | |
|--------------------------|--|
| Satisfied - Item: | Long Term Care Insurance Rate Request Summary |
| Comments: | |
| Attachment(s): | Summary Part 1-TT.pdf VA Rate Request Summary revised TT.LTC.(1010).pdf |
| Item Status: | Received & Acknowledged |
| Status Date: | 10/31/2017 |

| | |
|--------------------------|---------------------------|
| Satisfied - Item: | Filing Status |
| Comments: | |
| Attachment(s): | Filing Status (VA) TT.pdf |
| Item Status: | Received & Acknowledged |

| | | | |
|-----------------------------|---|------------------------|---|
| State: | Virginia | Filing Company: | Northwestern Long Term Care Insurance Company |
| TOI/Sub-TOI: | LTC03I Individual Long Term Care/LTC03I.001 Qualified | | |
| Product Name: | 2016 LTC Risk Mitigation | | |
| Project Name/Number: | 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation | | |

| | |
|--------------------------|---|
| Status Date: | 03/21/2017 |
| Satisfied - Item: | Policyowner Notification Letter |
| Comments: | |
| Attachment(s): | 90-2578 (AL AR AZ CO IA ID KS KY LA MD ME MT ND NE OH OK SD VA WY).pdf |
| Item Status: | Received & Acknowledged |
| Status Date: | 03/21/2017 |
| Satisfied - Item: | Assumption Comparisons |
| Comments: | |
| Attachment(s): | TT Lifetime Pay Assumption Comparison v.m.(0317) (VA).pdf TT Limited Pay Assumption Comparison v.m.(0117) (VA).pdf |
| Item Status: | Received & Acknowledged |
| Status Date: | 07/05/2017 |
| Satisfied - Item: | VA Response Letter dated 04102017 |
| Comments: | |
| Attachment(s): | VA Response Letter Dated 04102017 TT RATES.pdf |
| Item Status: | Received & Acknowledged |
| Status Date: | 07/05/2017 |
| Satisfied - Item: | VA Response Letter dated 09212017 |
| Comments: | |
| Attachment(s): | VA Response Letter Dated 09212017 TT RATES.pdf |
| Item Status: | Received & Acknowledged |
| Status Date: | 10/31/2017 |

| | | | | | |
|--------------------------|----------------|--------------------------|----------------|----------------------------|-----------------------------------|
| SERFF Tracking #: | NWST-130932377 | State Tracking #: | NWST-130932377 | Company Tracking #: | 2016 LTC RISK MITIGATION TT RATES |
|--------------------------|----------------|--------------------------|----------------|----------------------------|-----------------------------------|

| | | | |
|-----------------------------|---|------------------------|---|
| State: | Virginia | Filing Company: | Northwestern Long Term Care Insurance Company |
| TOI/Sub-TOI: | LTC03I Individual Long Term Care/LTC03I.001 Qualified | | |
| Product Name: | 2016 LTC Risk Mitigation | | |
| Project Name/Number: | 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation | | |

Attachment TT Exhibit 1 Loss Ratios (VA) 20171004 (99.8 Percent LR Test).xlsx is not a PDF document and cannot be reproduced here.

Review Requirements Checklist
INDIVIDUAL LONG-TERM CARE INSURANCE

| REVIEW REQUIREMENTS | REFERENCE | COMMENTS |
|---|--------------------------------------|---|
| General Filing Requirements | | |
| Transmittal Letter | 14 VAC 5-100-40 | For Paper Filings: Must be submitted in duplicate for each filing, describing each form, its intended use and kind of insurance provided. |
| | 14 VAC 5-100-40 1 | Forms submitted and described in transmittal letter must have a number that consists of digits, letters, or a combination of both. |
| | 14 VAC 5-100-40 2 | Must clearly indicate if forms are replacements, revisions, or modifications of previously approved forms and describe the exact changes that are intended. |
| | 14 VAC 5-100-40 3 | Certification of Compliance signed by General Counsel or officer of company or attorney or actuary representing company is required. |
| | 14 VAC 5-100-40 5 | Description of market for which the form is intended. |
| | 14 VAC 5-100-40 6 | For Paper Filings: At least one copy of each form must be included in the filing. A duplicate copy of forms must be submitted if the company wants a "stamped" copy of forms for its records. A stamped self-addressed return envelope is required. The letter of transmittal must be addressed to: State Corporation Commission, Bureau of Insurance, P. O. Box 1157, Richmond, VA 23218. |
| | Administrative Letter 1983-7 | Must include the name and NAIC number of the company for which the filing is made. |
| Additional SERFF Filing Requirements | Administrative Letter 2012-03 | Additional SERFF filing requirements must be met as specified below for life and health forms and rate filings. Failure to provide the applicable information will result in a "rejected" filing. |
| General Information – Filing Description | | (i) Description of each form by name, title, edition date, other; and intended use. |
| | | (ii) Identification of changes in benefits and premiums (previously approved or filed forms). [Place changed contract provisions (red-lined or highlighted) in Supporting Documentation]. |
| | | (iii) Identification of SERFF or state tracking number for the previously approved or filed form for which the new form revises, replaces, or is intended to be used. |
| | | (iv) A statement as to whether any other regulatory body has withdrawn approval of the form because the form contains one or more provisions that were deemed to be misleading, deceptive or contrary to public policy. |
| HELP TIP: | | If a form or rate filing is submitted as new in Virginia, but was previously disapproved or withdrawn in Virginia, please provide details such as the tracking information, form number, and the date that the form or rate filing was disapproved or withdrawn, if available. |

Review Requirements Checklist
INDIVIDUAL LONG-TERM CARE INSURANCE

| REVIEW REQUIREMENTS | REFERENCE | COMMENTS |
|---------------------------------------|--|---|
| Rate Changes | | (i) Specify the number of affected policyholders. |
| | | (ii) Provide the reason(s) for the proposed change(s). |
| | | (iii) Include a statement regarding an increase, decrease, revision of former rates. |
| | | (iv) Specify the percentage amount(s) of the change(s). |
| Forms | | |
| Form number | 14 VAC 5-100-50 1 | Form number must appear in lower left-hand corner of first page of each form. |
| Company name & address | 14 VAC 5-100-50 2 | Full and proper corporate name (including "Inc.") must prominently appear on cover sheet of all policies and other forms. Home office address of insurer must prominently appear on each policy. |
| Final form | 14 VAC 5-100-50 3 | Form must be submitted in the final form in which it will be issued and completed in "John Doe" fashion to indicate its intended use. |
| Application | 14 VAC 5-100-50 4 | Any form, which is to be issued with an attached application, must be filed with a copy of the application completed in "John Doe" fashion to indicate its intended use. (If application was previously approved, advise date of approval.) |
| Type Size | 14 VAC 5-100-50 5 | Individual Accident and Sickness forms must be printed with type size of at least ten-point type. All other forms must be printed with type size of at least eight-point. |
| Arbitration | § 38.2-312 | Contract may not deprive courts of Virginia jurisdiction in actions against insurer. Arbitration may not be binding. |
| Fraud Notice | § 38.2-316 D 1 | Title 38.2 of the Insurance Code does not define "Insurance Fraud." Any notice regarding insurance fraud is in non-compliance with this section of the Code. Variations in a notice warning of consequences of making fraudulent statements are acceptable. The notice may disclose that it does not apply in Virginia or may disclose states where applicable. |
| Readability Certification | 14 VAC 5-110-60 | Readability certification is required as described in the regulation. |
| Entire Consideration | § 38.2-3500 A 1 | The entire consideration is expressed in the policy. |
| Effective-Termination Time | § 38.2-3500 A 2 | The time (clock time) the policy becomes effective and terminates is expressed in the policy. |
| DMAS Payor of Last Resort | § 38.2-3500 A 7 | Every accident and health policy must contain a statement indicating the Department of Medical Assistance Services as the payor of last resort. |
| Definition of Eligible Family members | § 38.2-3500 C | The definition establishes that eligible dependent children may not be required to live in the household as the policyowner. |
| Handicapped Child Coverage | § 38.2-3409 | Upon termination due to age, coverage will be continued for: (1) persons incapable of self-sustaining employment by reason of intellectual disability or physical handicap; and (2) chiefly dependent on the insured for support and maintenance. Additional premium may be charged based upon class of risks. |
| Renewal Provision | 14 VAC 200-70 A & 14 VAC 5-200-60 A | The regulation specifies the content of the renewability provision. The renewal provision must be either guaranteed renewable or noncancellable. |
| LTC Caution Notice | 14 VAC 5-200-80 C 2 | Required language in bold print . |

Review Requirements Checklist
INDIVIDUAL LONG-TERM CARE INSURANCE

| REVIEW REQUIREMENTS | REFERENCE | COMMENTS |
|-----------------------------------|----------------------|--|
| 30-Day Free Look | § 38.2-5208 A | |
| Notice to Buyer | 14 VAC 5-200-170 A 3 | Required language. |
| General Provisions | | |
| Contents of Policy | 38.2-305 A | Parties to policy named; subject of insurance; risks insured against; time insurance takes effect; statement of the premium. |
| Entire Contract | § 38.2-3503 1 | The provision defines the contents of the entire contract. |
| Grace Period | § 38.2-3503 3 | The provision defines the grace period and length of the various acceptable grace periods. |
| | 14 VAC 5-200-65 A 3 | The policy must specify an additional 30 days for an unintentional lapse of coverage. |
| Reinstatement | § 38.2-3503 4 | |
| | 14 VAC 5-200-65 B | The regulation provides for an extended reinstatement period in the event of policy lapse due to cognitive impairment. |
| Notice of Claim | § 38.2-3503 5 | |
| Claim Forms | § 38.2-3503 6 | |
| Proof of Loss | § 38.2-3503 7 | |
| Time Payment of Claims | § 38.2-3503 8 | The provision specifies when benefits will be paid. |
| Payment of Claims | § 38.2-3503 9 | The provision specifies to whom benefits will be paid |
| Physical Examinations and Autopsy | § 38.2-3503 10 | |
| Legal Actions | § 38.2-3503 11 | |
| Change of Beneficiary | § 38.2-3503 12 | (For payment to beneficiaries, see Payment of Claims provision-§ 38.2-3503 9.) |
| Incontestability | § 38.2-5209 | The provision contains specific incontestability language for long-term care insurance. |
| Age Limit | § 38.2-3513 A | If the policy establishes an age-limit after which coverage will no longer be effective, and if the date falls within a period for which a premium is accepted by the insurer or the insurer accepts a premium after the date, the coverage provided by the policy will continue in force until the end of the period for which the premium has been accepted. |
| | § 38.2-3513 B | If the age of the insured has been misstated and the policy would not have been issued according to the correct age of the insured, the policy would not have become effective or would have ceased prior to the acceptance of the premium, then the liability of the insurer shall be limited to the refund of the premium paid for the period not covered by the policy. |
| Optional Provisions | | |
| Change of Occupation | § 38.2-3504 1 | |
| Misstatement of Age | § 38.2-3504 2 | |
| Other Insurance in this Company | § 38.2-3504 3 | |
| Insurance with Other Company | § 38.2-3504 4 | |
| Insurance with Other Company | § 38.2-3504 5 | |
| Unpaid Premiums | § 38.2-3504 7 | |
| Conformity with State Statutes | § 38.2-3504 9 | Must use "resides" language |

Review Requirements Checklist
INDIVIDUAL LONG-TERM CARE INSURANCE

| REVIEW REQUIREMENTS | REFERENCE | COMMENTS |
|---|-----------------------------------|---|
| Illegal Occupation | § 38.2-3504 10 | |
| Intoxicants and Narcotics | § 38.2-3504 11 | |
| Prohibited Provisions | | |
| | § 38.2-5203 | Specified provisions prohibited in a long-term care policy. |
| | § 38.2-5205 A | Prior institutionalization may not be a requirement to receive benefits. |
| | 14 VAC 5-200-190 | Preexisting conditions and waiting periods may not be used in replacement policies. |
| Subrogation | § 38.2-3405 A | No policy shall contain a provision regarding subrogation of any person's right to recovery for personal injuries from a third person. |
| Liability Insurance | § 38.2-3405 B | Benefits may not be reduced due to benefits payable due to benefits provided by a liability insurance contract. |
| Workers' Compensation | § 38.2-3405 D | The statute discusses exceptions to exclusions due to benefits payable under workers' compensation. |
| Minimum Standards for Home Health Care | 14 VAC 5-200-90 | The minimum standards include prohibited exclusions and restrictions regarding home health care benefits. |
| LTC Policy Requirements | | |
| Duration of Benefits | § 38.2-5200 | Coverage must be provided for a minimum of 12 months. |
| Refund of Premium for Cancellation or Termination of Policy | § 38.2-5202.1 | Provides for the termination of the policy by the insured and for cancellation of the policy by the insurer , except when coverage is for the duration of life and premium is a single installment payment. |
| Preexisting Condition | § 38.2-5204 | Defines look-back period and limitation period for preexisting conditions. |
| | 14 VAC 5-200-70 D | If policy includes limitations due to a preexisting condition, such limitations must be included labeled as "Preexisting Condition Limitations." |
| Limitations or Conditions on Eligibility for Benefits | § 38.2-5205 B 14 VAC 5-200-187 | Permissible benefit triggers and requirements. |
| Definitions | 14 VAC 5-200-50 | Certain terms defined. |
| UCR defined | 14 VAC 5-200-70 C | The term must be defined If benefits are based on usual, reasonable and customary charges. |
| Limitations and Exclusions | 14 VAC 5-200-60 B | |
| | § 38.2-3504 11 | Intoxicants and narcotics |
| Extension of benefits | 14 VAC 5-200-60 C | |
| Right to Reduce Coverage and Lower Premiums | 14 VAC 5-200-183 | The policy shall include a provision that allows the policyholder to reduce coverage and lower the premium. |
| Nonforfeiture Benefit Requirement | 14 VAC 5-200-185 B | Offer made to the policyholder. Refer to the regulation for specifics. |
| Contingent Benefit Upon Lapse | 14 VAC 5-200-185 C | If the offer of the nonforfeiture benefit is declined, the contingent benefit upon lapse shall be provided. |
| Required to Offer Inflation Protection | 14 VAC 5-200-100 A | |

Review Requirements Checklist
INDIVIDUAL LONG-TERM CARE INSURANCE

| REVIEW REQUIREMENTS | REFERENCE | COMMENTS |
|--|---|---|
| Signed Acceptance for Riders and Amendments | 14 VAC 5-200-70 B | All riders and/or endorsements that added to a policy after the date of issue that reduces, restricts, or eliminates benefits in the policy will require signed acceptance. Also, where a separate premium is charged for a rider or endorsement, the premium will be set forth in the policy, rider, or endorsement. |
| LTC Personal Suitability Worksheet | 14 VAC 5-200-175-C 2 | The LTC personal suitability worksheet must be submitted with the policy. |
| Disclosures | | |
| | § 38.2-5207 1; 14 VAC 5-200-200 | The statute requires that an outline of coverage be provided to the insured. The statute also specifies the information that should be included in the outline. |
| | § 38.2-5207 4; 14 VAC 5-200-70 H | A tax-qualified plan must be definitively identified as such. |
| | 14 VAC 5-200-70 I | A non-tax-qualified plan must be identified as such. |
| | 14 VAC 5-200-75 D | Any reference to a premium increase shall disclose that notice of premium increase shall be at least 60 days prior to the increase. |
| Policies that include issue ages of 65 or higher | 14 VAC 5-170-150 E 1 | Any policy marketed to persons age 65 or older must contain a notice that discloses that the policy is not a Medicare supplement policy or certificate. |
| Rates | | |
| | § 38.2-5206 | |
| | 14 VAC 5-200-150 | The regulation specifies the expected loss ratio. |
| | 14 VAC 5-130-60 A and 130-60 B; 14 VAC 5-200-77 | The regulation specifies rate filing and actuarial memorandum requirements. |

Access to Administrative Letters, Administrative Orders, Regulations and Laws is available at:
<http://www.scc.virginia.gov/boi/laws.aspx>

The Life and Health Division, Forms and Rates Section reviews individual long-term care insurance. Please contact this section at (804) 371-9110 if you have questions or need additional information about this line of insurance.

Review Requirements Checklist
INDIVIDUAL LONG-TERM CARE INSURANCE

I hereby certify that I have reviewed the attached individual long-term care filing and determined that it is in compliance with the individual long-term care checklist.

Signed: Annette Hutt!

Name (please print): Annette Hutt!

Company Name: Northwestern Long-Term Care Insurance Company

Date: 2/22/2017 Phone No: (414) 665-1859 FAX No: (414) 625-7598

E-Mail Address: annettehutt!@northwesternmutual.com

Actuarial Certification
For Long-Term Care Insurance
Policy Form TT.LTC.(1010)

I, Gregory Gurlik, am an Actuary and officer of the Northwestern Long Term Care Insurance Company and am a member in good standing of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion and am familiar with the requirements for filing LTCI premiums and for filing for increases in LTCI premiums. This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including ASOP No. 8.

Attached are:

1. The premium rate schedule to be used for renewals of the policy forms and additional benefits as specified therein.
2. An actuarial memorandum, also signed by me, which provides:
 - a. The assumptions on which this certification is based;
 - b. The adjustments to prior assumptions with an explanation of the reasons previous assumptions were not realized.
 - c. A lifetime projection of the prior premium rate schedules and incurred claims plus future expected premiums and claims which demonstrates that the revised premium rate schedule meets the loss ratio standards and necessary details of this state; and
 - d. Disclosure of the manner, if any, in which reserves have been recognized.

I have reviewed and taken into consideration the policy design and coverage provided, and the insurer's current underwriting and claims adjudication processes.

In forming my opinion, I have used actuarial assumptions and actuarial methods and such tests of the actuarial calculations as I considered necessary. Based on these assumptions, or statutory requirements where necessary, the premium rate filing is in compliance with the loss ratio standards of this state. In my opinion, the rates are not unfairly discriminatory and the gross premiums are not excessive. This filing will enhance premium adequacy, but may not be sufficient to prevent future rate action. Therefore, rates cannot be certified as required by regulation.

The requested rate increase for lifetime premium paying policies with 3 year benefit period is 10%, 6 year benefit period is 25% and lifetime benefit period is 30%. The requested premium rate schedule increase for lifetime premium paying policies is not considered sufficient to cover the adverse impact of the changes to the assumptions in this filing. If an average rate schedule increase of 55% were requested and implemented and the underlying assumptions with additional margin for moderately adverse conditions are realized no further increases would be anticipated.

The requested rate increase for limited pay premium policies with 3 year benefit period is 25%, 6 year benefit period is 27% and lifetime benefit period is 29%. The requested premium rate schedule increase for limited pay premium policies is not considered sufficient to cover the adverse impact of the changes to the assumptions in this filing. If an average rate schedule increase of 130% were requested and implemented and the underlying assumptions with additional margin for moderately adverse conditions are realized no further increases would be anticipated.



Actuary

February 23, 2017

Date

NORTHWESTERN LONG TERM CARE INSURANCE COMPANY
720 EAST WISCONSIN AVENUE
MILWAUKEE, WISCONSIN 53202

LONG-TERM CARE INSURANCE GROSS PREMIUMS
TT SERIES - FEBRUARY, 2010

Annual Premiums per \$100 of Long-Term Care Monthly Benefit

I. Premium Calculation

II. Basic Benefit and Indexing Options Benefits

Forms TT.LTC.(1010), TT.LTC.ABI.(1010), TT.LTC.APB.(1010)

| <u>Nursing Home Benefit</u> | <u>Home Care & Adult Day Care Benefit</u> | <u>Elimination Period</u> | <u>Benefit Period</u> | <u>Payment Plan</u> | <u>Page</u> |
|-------------------------------------|---|-------------------------------|---------------------------|-------------------------|-------------|
| \$100 | \$100 | 12 | All | Lifetime | TT-R-1 |
| \$100 | \$100 | 12 | All | 10 Pay | TT-R-3 |
| \$100 | \$100 | 12 | All | To Age 65 | TT-R-4 |

III. Paid-Up Nonforfeiture /Contingent Benefit

Form TT.LTC.NFBC.(1010)

| <u>Nursing Home Benefit</u> | <u>Home Care & Adult Day Care Benefit</u> | <u>Elimination Period</u> | <u>Benefit Period</u> | <u>Payment Plan</u> | <u>Page</u> |
|-------------------------------------|---|-------------------------------|---------------------------|-------------------------|-------------|
| \$100 | \$100 | 12 | All | Lifetime | TT-R-5 |

IV. Survivorship Benefit

Form TT.LTC.SB.(1010)

| <u>Premium Percentages</u> | <u>Page</u> |
|----------------------------|-------------|
| All | TT-R-7 |

Northwestern Long Term Care Insurance Company

Premium Calculation

The policy level premium is calculated as the sum of the individual benefit level premiums included in the policy. The attached rate tables include undiscounted rates with a 12 week elimination period and are given per \$100 of monthly benefit.

1. The first step is to obtain the correct benefit level premium rates applicable to the policy. The benefit level premium rates are per \$100 of monthly benefit and vary based on the premium paying period, issue age, indexing option, and benefit period.
 - Multiply each benefit level premium rate by the appropriate elimination period factor. The elimination period factors are listed below. Round the result to the nearest dime.

| Option | Elimination Period Factor |
|---------|---------------------------|
| 6 Week | 1.15 |
| 12 Week | 1.00 |
| 25 Week | 0.91 |
| 52 Week | 0.75 |

- If the policy is an Automatic Benefit Increase (ABI) policy with an indexing option other than 5%, multiply each benefit level premium rate (after adjusting for the elimination period) by the appropriate indexing percentage, divided by the 5% to obtain the correct ABI premium rate. Do not round the result.
- If the policy is classified, the classified extra premium rate is calculated by taking the standard premium rate for each benefit level premium (after adjusting for the elimination period and ABI indexing percentage) multiplied by the appropriate classified extra premium factor. The classified extra premium factors are listed below. Round to the nearest penny.

| Option | Classified Extra Premium Factor |
|---------|---------------------------------|
| Class 1 | 0.35 |
| Class 2 | 0.70 |

2. In steps three through six, calculate each benefit level premium separately. In later steps, the benefit level premiums will be summed to obtain the policy level premium.
3. Multiply the benefit level premium rate by the multi-life discount factor. The multi-life discount factors are listed below. Round the result to the nearest penny.

| Option | Multi-life Discount Factor |
|------------------------|----------------------------|
| Multi-life discount | 0.95 |
| No Multi-life discount | 1.00 |

4. Multiply the result in number three by the hundreds of dollars of maximum monthly limit (maximum monthly limit divided by 100). For example, a policy with \$5,000 maximum monthly limit would translate into \$50 hundreds ($\$5,000/100 = \50). Do not round the result.
5. Multiply the result in number four by the premium modal factor. The modal factors are listed below. Do not round the result.

| Option | Premium Modal Factor |
|-------------|----------------------|
| Annual | 1.000 |
| Semi-Annual | 0.512 |
| Quarterly | 0.259 |
| Monthly | 0.087 |

6. Multiply the result in number five by the spousal/companion discount factor. The spousal discount factors are listed below. Round the result to the nearest penny. This is the adjusted benefit level premium.

| Option | Spousal/Companion Discount Factor |
|-------------|-----------------------------------|
| Single | 1.00 |
| One Insured | 0.85 |
| Two Insured | 0.70 |

7. Repeat steps three through six for each benefit level premium included in the policy.
8. If the policy does not include the Survivorship Benefit, the policy level premium is the sum of the adjusted benefit level premiums. If the policy includes the Survivorship Benefit, continue to step nine.
9. If the policy includes the Survivorship Benefit, sum the adjusted benefit level premiums excluding the Paid-Up Non-Forfeiture Benefit level premiums.
10. Multiply the sum in number nine by the applicable Survivorship Benefit premium percentage found in the tables. The correct Survivorship Benefit premium percentage can be found according to age and indexing type. Round this result to the nearest penny. This is the Survivorship Benefit level premium.
11. The policy level premium for a policy that includes the Survivorship Benefit is the sum of the adjusted benefit level premiums (including the Paid-Up Non-Forfeiture Benefit level premiums) and the Survivorship Benefit level premium.

NORTHWESTERN LONG TERM CARE INSURANCE COMPANY

EXPERIENCE EXHIBITS

CONTENTS

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1. Credibility Standards & Practices

When analyzing the credibility of our own long-term care incidence and termination experience we typically apply a common method of measuring credibility called the “Limited Fluctuation Method” with $P=90\%$ and $k=3\%$. As described on page 26 in the [American Academy of Actuaries’ Credibility Practice Note](#), a company would need 3,007 claims to be fully credible based on this standard which is a typical threshold we use for full credibility. The Limited Fluctuation Method also defines a partial credibility factor called $Z = \text{SQRT}(N/N_f)$ (where $0 \leq Z \leq 1$), as described on page 8-29 of the following SoA Study Note ([C-21-01 Study Note - Society of Actuaries](#)) where N is the number of observed claims and N_f is the number of claims for full credibility.

Section 3.5 of the [Actuarial Standard of Practice #25](#) states that “In carrying out credibility procedures, the actuary should consider the homogeneity of both the subject experience and the relevant experience. Within each set of experience, there may be segments that are not representative of the experience set as a whole.” Given that long-term care experience (morbidity, mortality, lapses, etc.) can vary greatly by many different factors (such as issue age, duration, gender, etc.), we believe it is appropriate to analyze experience only after broken down into homogeneous groups which are expected to have similar rates of experience (e.g., claim rates, termination rates, etc.).

Throughout the insurance industry there is undoubtedly a wealth of information regarding credibility practices, methodologies, and actuarial opinions and there is certainly no one “right” credibility standard. As always, actuarial judgement is required in the setting of any assumptions.

2. Morbidity

NLTC has a young block of business with limited claims experience. There have only been about 1,900 total claims nationwide from product inception (1998) through 12/31/15 that have met the elimination period. In Virginia there have only been 49 claims that have met the elimination period. Our claims experience has been in the early durations (exposure weighted average duration = 5) and younger attained ages (exposure weighted average attained age = 58), with virtually no claims experience at attained ages 80+ where the bulk of LTC claims are expected to occur and the true financial cost of LTC insurance will ultimately be realized. Therefore, we have not relied on our own internal claims experience to develop the morbidity assumptions used in this rate increase filing (or any new issue filing to date). Instead, we have relied on the 2014 Milliman Guidelines (as described in the Actuarial Memorandum) for our current morbidity assumptions and attribute all credibility to those assumptions.

The following tables provide the credibility estimates for our morbidity incidence experience from inception through 12/31/2015 using the Limited Fluctuation Method and the 3,007 claims standard described above. These claims are broken down by relatively homogeneous groups of issue ages, durations, and genders. As shown, the level of credibility is quite small for any given segment. The claims experience could arguably be broken down into further segments that one would reasonable expect to exhibit a different level of claims experience (e.g., benefit period, spousal discount, etc.) but we felt that this sufficiently demonstrated our overall lack of credibility.

NLTC Partial Credibility Estimates

Tables of Partial Credibility Factors ($Z = \text{SQRT}(N/N_i)$)

N = # of Actual NLTC Claims

3,007 = Claims for full credibility within segment (N_i); $P = 90\%$ & $k = 3\%$

 = Typical Claim Ages (Attained Ages 80+)

| Males | | | | | | Females | | | | | |
|-------|-----------|-------|-------|-------|-------|---------|-----------|-------|-------|-------|-------|
| Dur | Issue Age | | | | | Dur | Issue Age | | | | |
| | <40 | 40-49 | 50-59 | 60-69 | 70-80 | | <40 | 40-49 | 50-59 | 60-69 | 70-80 |
| 1-5 | 3% | 5% | 12% | 14% | 13% | 1-5 | 4% | 4% | 14% | 17% | 19% |
| 6-10 | 0% | 6% | 13% | 21% | 21% | 6-10 | 2% | 6% | 14% | 24% | 28% |
| 11-15 | 0% | 3% | 9% | 20% | 18% | 11-15 | 0% | 2% | 13% | 24% | 23% |
| 16-20 | 0% | 0% | 0% | 4% | 4% | 16-20 | 0% | 0% | 0% | 4% | 4% |
| 21-25 | 0% | 0% | 0% | 0% | 0% | 21-25 | 0% | 0% | 0% | 0% | 0% |
| 26-30 | 0% | 0% | 0% | 0% | 0% | 26-30 | 0% | 0% | 0% | 0% | 0% |
| 31-35 | 0% | 0% | 0% | 0% | 0% | 31-35 | 0% | 0% | 0% | 0% | 0% |
| 36-40 | 0% | 0% | 0% | 0% | 0% | 36-40 | 0% | 0% | 0% | 0% | 0% |
| 41-45 | 0% | 0% | 0% | 0% | 0% | 41-45 | 0% | 0% | 0% | 0% | 0% |
| 46-50 | 0% | 0% | 0% | 0% | 0% | 46-50 | 0% | 0% | 0% | 0% | 0% |
| 51+ | 0% | 0% | 0% | 0% | 0% | 51+ | 0% | 0% | 0% | 0% | 0% |

In addition, and more importantly, this analysis demonstrates that we have very little experience at the attained ages where the bulk of LTC claims typically occur (attained ages 80+, which are highlighted in the tables). Claims at these older attained ages are the primary driver of the overall costs of long-term care insurance. To put this into context, most of our LTC sales are to issue ages less than 60 (representing about 70% of all of our exposure years), and it will be some time before we begin to see a meaningful amount of attained age 80+ claims.

For long term care, credibility on incidence emerges first and the credibility of claim resolution and utilization comes later. Because we do not consider our own incidence experience credible we also do not consider our resolution or utilization experience credible either.

Even though our own internal morbidity experience is not credible, we do monitor our own emerging experience and compare it to the 2014 Milliman Guidelines, which have been adjusted for our product design, underwriting and claims administration practices.

As shown in Exhibit 1 below, our limited experience has been consistent with the 2014 Milliman Guidelines when comparing overall cash claim payments. Cash claims is the combination of claim incidence, resolution and utilization and represents the overall cash impact on our financials. As shown, our total cash claim payments to date are in line with the 2014 Milliman Guidelines with an overall actual-to-expected (A/E) ratio of 105%, which does not call into question the use of the 2014 Milliman Guidelines and attributing all credibility to those assumptions.

For context, the 2014 Milliman Guidelines are based on \$18 billion of cash claims while NLTC has paid only \$174 million in cash claims (adjusted for IBNR) since inception, which is less than 1% of the experience that the 2014 Milliman Guidelines are based on.

To maximize the actual experience in the following exhibits all NLTC experience from the inception of the product line through 12/31/15 is included (even the experience of policy forms where no increase is being requested).

Exhibit 1 - Actual to Current Expected Cash Claims

Actual = NLTC Inception through 12/31/15

Expected = Current Assumptions (2014 Milliman)
Nationwide

| Calendar Year | Actual | Current Expected (2014 Milliman) | A / E |
|--------------------------|--------------------|---|--------------|
| Pre-2005 | 1,100,424 | 1,271,672 | 87% |
| 2005 | 1,720,079 | 2,045,659 | 84% |
| 2006 | 2,975,789 | 3,107,285 | 96% |
| 2007 | 4,681,469 | 4,521,852 | 104% |
| 2008 | 6,369,552 | 6,365,118 | 100% |
| 2009 | 9,509,582 | 8,703,030 | 109% |
| 2010 | 13,398,062 | 11,587,755 | 116% |
| 2011 | 17,307,568 | 15,115,101 | 115% |
| 2012 | 21,120,117 | 19,394,042 | 109% |
| 2013 | 25,831,290 | 24,588,820 | 105% |
| 2014 | 31,078,581 | 30,791,533 | 101% |
| 2015* | 39,040,149 | 38,073,677 | 103% |
| Total | 174,132,661 | 165,565,545 | 105% |

* Includes an adjustment for incurred but not reported (IBNR)

In addition to the aggregate cash claims, comparisons of actual experience to the 2014 Milliman Guideline morbidity assumptions by component (incidence, resolutions and utilization) are also provided in the following exhibits. Comparisons of inception to 12/31/15 experience relative to the original morbidity assumptions described in the Actuarial Memorandums for each policy form are also included.

Claim incidence rates are a fundamental morbidity measure indicating the rate at which insureds go on claim. A policy is considered to be a claim once the elimination period is met. An A/E claim incidence ratio above 100% means there have been more actual incidences of claims for that period than the expected basis would have anticipated (and vice versa). However, since our NLTC policies are reimbursement products, a higher number of claims alone does not mean there will ultimately be a higher dollar amount of claim payments made.

Exhibit 2 - Actual to Current Expected Claim Incidence

Actual = NLTC Inception through 12/31/15

Expected = Current Assumptions (2014 Milliman)

Nationwide

| Policy Year | Issue Ages | | | | | | | | | |
|---------------------------|------------------|------------|------------------|------------|------------------|------------|------------------|-------------|------------------|------------|
| | < 50 | | 50-59 | | 60-69 | | > 69 | | All | |
| | Actual Claims | A / E | Actual Claims | A / E | Actual Claims | A / E | Actual Claims | A / E | Actual Claims | A / E |
| 1-3 | 9 | 63% | 48 | 72% | 57 | 50% | 58 | 59% | 172 | 59% |
| 4-6 | 15 | 90% | 77 | 80% | 136 | 76% | 157 | 91% | 385 | 83% |
| 7-9 | 13 | 74% | 69 | 60% | 188 | 86% | 256 | 123% | 526 | 94% |
| 10+ | 7 | 40% | 96 | 72% | 375 | 109% | 333 | 119% | 811 | 103% |
| Total | 44 | 67% | 290 | 70% | 756 | 89% | 804 | 106% | 1,894 | 90% |
| Exposure Years | 334,294 | | 651,827 | | 363,472 | | 50,616 | | 1,400,209 | |
| | 24% | | 47% | | 26% | | 4% | | 100% | |

Exhibit 3 - Actual to Original TT.LTC.(1010) Expected Claim Incidence

Actual = NLTC Inception through 12/31/15

Expected = TT.LTC.(1010) Original Assumptions

Nationwide

| Policy Year | Issue Ages | | | | | | | | | |
|---------------------------|------------------|-------------|------------------|------------|------------------|------------|------------------|-------------|------------------|-------------|
| | < 50 | | 50-59 | | 60-69 | | > 69 | | All | |
| | Actual Claims | A / E | Actual Claims | A / E | Actual Claims | A / E | Actual Claims | A / E | Actual Claims | A / E |
| 1-3 | 9 | 85% | 48 | 86% | 57 | 50% | 58 | 71% | 172 | 65% |
| 4-6 | 15 | 155% | 77 | 102% | 136 | 72% | 157 | 107% | 385 | 91% |
| 7-9 | 13 | 148% | 69 | 82% | 188 | 89% | 256 | 155% | 526 | 111% |
| 10+ | 7 | 64% | 96 | 85% | 375 | 125% | 333 | 156% | 811 | 125% |
| Total | 44 | 110% | 290 | 88% | 756 | 93% | 804 | 133% | 1,894 | 105% |
| Exposure Years | 334,294 | | 651,827 | | 363,472 | | 50,616 | | 1,400,209 | |
| | 24% | | 47% | | 26% | | 4% | | 100% | |

**Exhibit 4 - Actual to Original RS.LTC.(1101), RS.LTC.(0708), & RR.LTC.(0798)
Expected Claim Incidence**

Actual = NLTC Inception through 12/31/15

Expected = RS.LTC.(1101), RS.LTC.(0708), & RR.LTC.(0798) Original Assumptions
Nationwide

| Policy Year | Issue Ages | | | | | | | | | |
|---------------------------|------------------|-------------|------------------|------------|------------------|------------|------------------|-------------|------------------|------------|
| | < 50 | | 50-59 | | 60-69 | | > 69 | | All | |
| | Actual Claims | A / E | Actual Claims | A / E | Actual Claims | A / E | Actual Claims | A / E | Actual Claims | A / E |
| 1-3 | 9 | 98% | 48 | 103% | 57 | 59% | 58 | 66% | 172 | 71% |
| 4-6 | 15 | 183% | 77 | 120% | 136 | 71% | 157 | 97% | 385 | 90% |
| 7-9 | 13 | 175% | 69 | 93% | 188 | 80% | 256 | 132% | 526 | 103% |
| 10+ | 7 | 73% | 96 | 85% | 375 | 94% | 333 | 121% | 811 | 100% |
| Total | 44 | 128% | 290 | 97% | 756 | 82% | 804 | 112% | 1,894 | 95% |
| Exposure Years | 334,294 | | 651,827 | | 363,472 | | 50,616 | | 1,400,209 | |
| | 24% | | 47% | | 26% | | 4% | | 100% | |

Claim resolutions are another fundamental morbidity measure that indicates the percentage of claimants remaining on claim each month after the elimination period has been met. Similar to claim incidence rates, claim resolution rates are on a count basis. Claim resolution rates lower than expected indicate that claimants are staying on claim longer than the expected basis would have anticipated (and vice versa). However, since our NLTC policies are reimbursement products, a lower resolutions rate alone does not mean there will ultimately be a higher dollar amount of claim payments made.

Exhibit 5 - Actual to Current Expected Claim Resolutions

Actual = NLTC Inception through 12/31/15

Expected = Current Assumptions (2014 Milliman)
Nationwide

| Claim Month | Actual Resolutions | A / E |
|----------------|-----------------------|------------|
| 1-6 | 286 | 80% |
| 7-12 | 186 | 87% |
| 13-18 | 105 | 68% |
| 19-24 | 93 | 76% |
| 25-30 | 59 | 66% |
| 31-36 | 77 | 95% |
| 37-42 | 42 | 64% |
| 43-48 | 28 | 61% |
| 49-54 | 24 | 78% |
| 55-60 | 21 | 65% |
| 61+ | 44 | 80% |
| Total | 965 | 77% |

Exhibit 6 - Actual to Original TT.LTC.(1010) Expected Claim Resolutions

Actual = NLTC Inception through 12/31/15

Expected = TT.LTC.(1010) Original Assumptions
Nationwide

| Claim Month | Actual Resolutions | A / E |
|------------------------|-------------------------------|--------------|
| 1-6 | 286 | 56% |
| 7-12 | 186 | 60% |
| 13-18 | 105 | 47% |
| 19-24 | 93 | 55% |
| 25-30 | 59 | 49% |
| 31-36 | 77 | 68% |
| 37-42 | 42 | 45% |
| 43-48 | 28 | 40% |
| 49-54 | 24 | 50% |
| 55-60 | 21 | 44% |
| 61+ | 44 | 58% |
| Total | 965 | 54% |

**Exhibit 7 - Actual to Original RS.LTC.(1101), RS.LTC.(0708), & RR.LTC.(0798)
Expected Claim Resolutions**

Actual = NLTC Inception through 12/31/15

Expected = RS.LTC.(1101), RS.LTC.(0708), & RR.LTC.(0798) Original Assumptions
Nationwide

| Claim Month | Actual Resolutions | A / E |
|------------------------|-------------------------------|--------------|
| 1-6 | 286 | 42% |
| 7-12 | 186 | 48% |
| 13-18 | 105 | 39% |
| 19-24 | 93 | 47% |
| 25-30 | 59 | 43% |
| 31-36 | 77 | 62% |
| 37-42 | 42 | 43% |
| 43-48 | 28 | 37% |
| 49-54 | 24 | 48% |
| 55-60 | 21 | 47% |
| 61+ | 44 | 61% |
| Total | 965 | 45% |

Claim utilization measures the percentage of the maximum available benefit reimbursed each day/month a policy is on claim. Since our LTC policies are reimbursement products we do not expect insureds to use 100% of the maximum available benefit while on claim. Low claim utilization can help offset higher claim incidence or lower claim resolution (or vice versa). Claim utilization is the only morbidity fundamental measured on a dollar basis.

Exhibit 8 - Actual to Current Expected Claim Utilization

Actual = NLTC Inception through 12/31/15

Expected = Current Assumptions (2014 Milliman)
Nationwide

| Policy Year | Actual Paid Claims* | Actual Utilization | Expected Utilization | A / E |
|--------------------|----------------------------|---------------------------|-----------------------------|--------------|
| 1-3 | 2,442,742 | 54% | 71% | 76% |
| 4-6 | 18,393,536 | 58% | 74% | 79% |
| 7-9 | 43,941,364 | 64% | 75% | 85% |
| 10+ | 109,355,019 | 66% | 78% | 86% |
| Total | 174,132,661 | 65% | 76% | 85% |

* Includes an adjustment for incurred but not reported (IBNR)

Exhibit 9 - Actual to Original TT.LTC.(1010) Expected Claim Utilization

Actual = NLTC Inception through 12/31/15

Expected = TT.LTC.(1010) Original Assumptions
Nationwide

| Policy Year | Actual Paid Claims* | Actual Utilization | Expected Utilization | A / E |
|--------------------|----------------------------|---------------------------|-----------------------------|--------------|
| 1-3 | 2,442,742 | 54% | 91% | 59% |
| 4-6 | 18,393,536 | 58% | 96% | 60% |
| 7-9 | 43,941,364 | 64% | 97% | 66% |
| 10+ | 109,355,019 | 66% | 96% | 69% |
| Total | 174,132,661 | 65% | 96% | 67% |

* Includes an adjustment for incurred but not reported (IBNR)

Exhibit 10 - Actual to Original RS.LTC.(1101), RS.LTC.(0708), & RR.LTC.(0798) Expected Claim Utilization

Actual = NLTC Inception through 12/31/15

Expected = RS.LTC.(1101), RS.LTC.(0708), & RR.LTC.(0798) Original Assumptions
Nationwide

| Policy Year | Actual Paid Claims* | Actual Utilization | Expected Utilization | A / E |
|--------------------|----------------------------|---------------------------|-----------------------------|--------------|
| 1-3 | 2,442,742 | 54% | 89% | 60% |
| 4-6 | 18,393,536 | 58% | 94% | 62% |
| 7-9 | 43,941,364 | 64% | 96% | 66% |
| 10+ | 109,355,019 | 66% | 96% | 69% |
| Total | 174,132,661 | 65% | 96% | 67% |

* Includes an adjustment for incurred but not reported (IBNR)

3. Terminations (Mortality & Lapses)

In determining our mortality assumption, we have not relied directly on an analysis of our own reported LTC deaths for several reasons.

- Deaths tend to be underreported for LTC, so the deaths we do observe are not necessarily a good representation of actual true mortality.

- We only have younger attained age experience, and we know the majority of our deaths will occur (and the financial impact will be felt) at older attained ages where we have very little, if any, experience to-date.
- Although we have seen a little over 4,000 total reported deaths since inception, the majority of those deaths are in the early policy durations where lapses dominate our total terminations by far. For example, about 3,000 of our reported deaths are in the first 10 policy durations, during which time there were a total of nearly 35,000 lapses. Given the large difference it is difficult to separate out true mortality from the total terminations.

A large portion of our LTC policyowners also own life insurance. Therefore, in lieu of relying directly on our own LTC reported deaths to develop our mortality assumption we have instead relied on an analysis of the life insurance class that those LTC policyowners were issued as a primary input into our mortality assumption. We have over 150 years of mortality experience with our life insurance block and consider that experience fully credible.

With recent analysis done in 2015 we were able to match nearly 120,000 LTC policies to life insurance policies, which was over half of our inforce LTC block at that time. We believe that this represents the best estimate of the expected mortality for these policyowners and the analysis resulted in significantly better expected mortality than originally assumed.

Additional analysis was performed to determine the estimated mortality for those LTC policies that did not purchase life insurance by conducting life underwriting on a sampling of a few hundred LTC policies to estimate the overall expected mortality for those policies. Our final overall mortality assumption was based on the analysis above, as well as actuarial judgment, and ended up between the matched and unmatched policy analysis.

Our lapse assumption was set to result in an overall total termination assumption that was in-line with our overall total termination experience to date, given the mortality assumption described above.

For the reasons stated above we do not believe it is valuable, at least at this point, to rely on detailed comparisons of actual reported to expected deaths or lapses either in total or by segments. Even if our individual mortality or lapse experience is a bit different from our expected assumptions in isolation, what matters is that they are reasonable in total, which they are.

Although we do not rely directly on an analysis of our own reported deaths or lapses in isolation to determine our assumptions, we do compare emerging total termination experience to total expected terminations to ensure that we are in line overall. In Exhibit 11 we have provided an actual to current expected comparison of mortality, lapses, and total terminations by policy duration. To maximize the actual experience in the exhibit all NLTC experience from the inception of the product line through 12/31/15 is included (even the experience of policy forms where no increase is being requested). Comparisons of inception to 12/31/15 experience relative to the original mortality and lapse assumptions described in the Actuarial Memorandums for each policy form are also included.

Since our total termination A/E ratio is about 99% overall, we feel comfortable with our lapse and mortality assumptions. Note that as mentioned above, deaths tend to be underreported for LTC, and thus it is not surprising that the A/E's for mortality tend to be less than 100% and greater than 100% for lapses.

Exhibit 11 - Actual to Current Expected Total Terminations

Actual = NLTC Inception through 12/31/15

Expected = Current Assumptions

Nationwide

| Policy Year | Actual Lapses | A / E | Actual Deaths | A / E | Total Terms. | A / E |
|------------------------|--------------------------|--------------|--------------------------|--------------|-------------------------|--------------|
| 1 | 8,681 | 100% | 154 | 39% | 8,835 | 97% |
| 2 | 9,625 | 102% | 251 | 59% | 9,876 | 100% |
| 3 | 5,710 | 93% | 309 | 72% | 6,019 | 92% |
| 4 | 3,750 | 98% | 355 | 86% | 4,105 | 97% |
| 5 | 2,405 | 96% | 348 | 86% | 2,753 | 95% |
| 6 | 1,720 | 102% | 335 | 84% | 2,055 | 98% |
| 7 | 1,211 | 105% | 326 | 83% | 1,537 | 99% |
| 8 | 873 | 105% | 326 | 84% | 1,199 | 98% |
| 9 | 598 | 194% | 341 | 93% | 939 | 139% |
| 10 | 414 | 169% | 296 | 87% | 710 | 121% |
| 11 | 315 | 167% | 312 | 100% | 627 | 125% |
| 12 | 196 | 140% | 243 | 89% | 439 | 106% |
| 13 | 128 | 130% | 215 | 93% | 343 | 104% |
| 14 | 94 | 148% | 176 | 96% | 270 | 110% |
| 15 | 60 | 154% | 143 | 106% | 203 | 117% |
| 16 | 27 | 134% | 85 | 100% | 112 | 106% |
| 17 | 10 | 152% | 32 | 91% | 42 | 101% |
| Total | 35,817 | 101% | 4,247 | 82% | 40,064 | 99% |

Exhibit 12 - Actual to Original TT.LTC.(1010) Expected Total Terminations

Actual = NLTC Inception through 12/31/15

Expected = TT.LTC.(1010) Original Assumptions

Nationwide

| Policy Year | Actual Lapses | A / E | Actual Deaths | A / E | Total Terms. | A / E |
|------------------------|--------------------------|--------------|--------------------------|--------------|-------------------------|--------------|
| 1 | 8,681 | 113% | 154 | 12% | 8,835 | 98% |
| 2 | 9,625 | 159% | 251 | 20% | 9,876 | 135% |
| 3 | 5,710 | 119% | 309 | 25% | 6,019 | 100% |
| 4 | 3,750 | 109% | 355 | 31% | 4,105 | 89% |
| 5 | 2,405 | 96% | 348 | 32% | 2,753 | 77% |
| 6 | 1,720 | 93% | 335 | 33% | 2,055 | 72% |
| 7 | 1,211 | 91% | 326 | 34% | 1,537 | 67% |
| 8 | 873 | 93% | 326 | 36% | 1,199 | 65% |
| 9 | 598 | 77% | 341 | 40% | 939 | 58% |
| 10 | 414 | 68% | 296 | 39% | 710 | 52% |
| 11 | 315 | 74% | 312 | 47% | 627 | 57% |
| 12 | 196 | 70% | 243 | 43% | 439 | 52% |
| 13 | 128 | 74% | 215 | 47% | 343 | 55% |
| 14 | 94 | 99% | 176 | 52% | 270 | 62% |
| 15 | 60 | 123% | 143 | 59% | 203 | 70% |
| 16 | 27 | 134% | 85 | 59% | 112 | 68% |
| 17 | 10 | 152% | 32 | 57% | 42 | 67% |
| Total | 35,817 | 115% | 4,247 | 33% | 40,064 | 91% |

Exhibit 13 - Actual to Original RS.LTC.(1101), RS.LTC.(0708), & RR.LTC.(0798)**Expected Total Terminations**

Expected = RS.LTC.(1101), RS.LTC.(0708),
& RR.LTC.(0798) Original Assumptions
Nationwide

| Policy Year | Actual Lapses | A / E | Actual Deaths | A / E | Total Terms. | A / E |
|------------------------|--------------------------|--------------|--------------------------|--------------|-------------------------|--------------|
| 1 | 8,681 | 84% | 154 | 10% | 8,835 | 75% |
| 2 | 9,625 | 118% | 251 | 17% | 9,876 | 103% |
| 3 | 5,710 | 87% | 309 | 22% | 6,019 | 76% |
| 4 | 3,750 | 78% | 355 | 28% | 4,105 | 67% |
| 5 | 2,405 | 65% | 348 | 30% | 2,753 | 57% |
| 6 | 1,720 | 57% | 335 | 31% | 2,055 | 50% |
| 7 | 1,211 | 50% | 326 | 33% | 1,537 | 45% |
| 8 | 873 | 44% | 326 | 34% | 1,199 | 41% |
| 9 | 598 | 37% | 341 | 39% | 939 | 38% |
| 10 | 414 | 33% | 296 | 38% | 710 | 35% |
| 11 | 315 | 32% | 312 | 46% | 627 | 38% |
| 12 | 196 | 27% | 243 | 42% | 439 | 34% |
| 13 | 128 | 25% | 215 | 46% | 343 | 35% |
| 14 | 94 | 28% | 176 | 51% | 270 | 39% |
| 15 | 60 | 29% | 143 | 58% | 203 | 45% |
| 16 | 27 | 25% | 85 | 58% | 112 | 44% |
| 17 | 10 | 28% | 32 | 55% | 42 | 45% |
| Total | 35,817 | 77% | 4,247 | 31% | 40,064 | 66% |

Inforce Policies and Premium

The table below summarizes, as of 12/31/2015, the number of policies inforce and their 2015 annual premium that will be affected by this rate increase in your state and nationwide.

| TT.LTC.(1010) | Number of Policies | 2015 Annual Premium | Average Premium Before Rate Increase | Average Premium After Rate Increase | Average Rate Increase |
|---------------|--------------------|---------------------|--------------------------------------|-------------------------------------|-----------------------|
| Nationwide | 74,594 | \$191,601,767 | \$2,569 | \$3,252 | 26.6% |
| Virginia | 2,472 | \$6,792,921 | \$2,748 | \$3,460 | 25.9% |

This form was sold in Virginia from April 2011 to June 2013.



Northwestern Long Term Care Insurance Company™

A Northwestern Mutual Company

Northwestern Long Term Care Insurance Co.
NAIC # 860-69000
FEIN # 36-2258318

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February 25, 2017

This filing contains proposed rate increases for several of our inforce LTC blocks of business. All of these blocks of business are closed blocks and not currently available for sale. These guaranteed renewable products include lifetime pay and limited pay premiums with benefit period offerings of three years, six years and lifetime.

This is the first time we have raised rates on inforce policies and we don't make this decision lightly. However, we believe that in the best interest of all of our policyowners, this action is prudent to sustain the financial well being of the product line, and to strengthen our ability to pay future claims. The requested rate increase on average for these policy forms is 27% of premium and would become effective on the next policy anniversary date after receiving state approval and following a 75-day policyowner notification period.

Although we could actuarially justify a higher rate increase at this time, we have decided to request less taking into consideration the impact on our policyowners. In determining our requested rate increase we have not targeted a specific loss ratio, nor have we established any long-term loss ratio targets for these blocks. Our goal is simply to meaningfully reduce our current premium shortfall now. Over the coming years we will monitor actual experience and refine our expectations with respect to future experience and, if necessary, adjust premiums as appropriate.

Updated Assumptions

The requested rate increase is due to people living longer, holding onto their policies longer, going on claim more frequently, and staying on claim longer than originally assumed. We have included a summary of assumptions for the proposed filing compared to the original pricing assumptions for the policy forms impacted.

Since our LTC block of business is relatively young and thus lacks credibility, we rely on Milliman to provide us with credible industry claims data which we use to set our expectations around future morbidity. We recently received the updated 2014 Milliman Guidelines which are the basis for this rate filing's morbidity assumptions. We have compared our own very limited claims data to these new guidelines and, in total, our claims data is in line with these assumptions. However, claim costs for the policy forms covered by this filing are higher than originally assumed.

The mortality and lapse assumptions for this filing are based on current experience. As part of determining our mortality assumption for this filing, we performed an updated analysis of our anticipated LTC mortality based on the underwriting classification of our LTC insureds who have

also bought life insurance through Northwestern Mutual (NM). In addition, we performed an analysis of the expected mortality for insureds who did not previously purchase a NM life insurance product. The mortality experience study resulted in lower expected mortality rates than originally assumed for these policy forms. The lapse assumptions for this filing are based on actual lapse experience, which is lower than originally assumed for these policy forms.

There are morbidity, mortality and lapse experience exhibits included in this filing to support our current assumptions outlined in the Actuarial Memorandum.

Policyowner Options

We understand that an inforce rate increase may be difficult for our policyowners, so that is why we are offering several options for reducing coverage if they decide not to maintain their current coverage level. These options include decreasing their benefit period, decreasing their maximum monthly or daily limit (MML/MDL), decreasing their inflation percentage or dropping it altogether, increasing their elimination period, dropping any additional benefits, or some combination of these benefit reduction options.

Even though this rate increase does not meet the definition of a substantial premium increase under the NAIC LTC Model Regulation for the majority of policies involved, we are providing the Contingent Non-forfeiture Benefit to all policyowners with the lifetime premium payment period who do not pay their premiums within 120 days of their rate increase premium due date. This paid up benefit would be equal to the sum of premiums paid from issue. Policyowners with limited pay premium payment periods have the NAIC's optional Non-forfeiture Benefit automatically included in their policies, and will be administered under the provisions of that feature.

Policyowner Notification Letter

To help our policyowners plan for this rate increase and to comply with 14 VAC 5-200-185, policyowners will be notified at least 75 days prior to the due date of the premium reflecting the rate increase. This will satisfy the required rate increase notification and consumer disclosure elements outlined in the revised NAIC model regulation, model bulletin, and Guidance Manual within the mandatory timeframes for notice and policyowner action. In addition, this letter will lay out policyowner options for maintaining or reducing their premiums and the resulting impact each option has on their premium. This additional information will help our clients to make an informed decision regarding their rate increase. A sample of the letter is included in this filing.

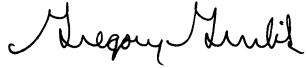
Filing Status

We have filed for rate increases in most states and intend to have all of our filing completed within the next month. To-date we have received approvals in 27 states. In the majority of those states we have received approval for increases at or very near what was requested. Only a handful of states have capped our rate increase request and virtually all of those states have indicated that we would be able to file for any remaining portion of the requested increase within one year's time. A detailed summary of the current filing status can be found in the spreadsheet entitled "Filing Status (VA)".

After a thorough review of this filing, we hope that you agree that the proposed rates are justified and appropriate in order to provide us with a prompt approval. Please review the additional

supporting materials included in this filing and feel free to let me know if you have any additional questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory Gurlik". The signature is fluid and cursive, with the first name "Gregory" and last name "Gurlik" clearly distinguishable.

Gregory Gurlik, FSA, MAAA
Actuary

NORTHWESTERN LONG TERM CARE INSURANCE COMPANY

ACTUARIAL MEMORANDUM

Product Name
QuietCare TT

Policy Form Number
TT.LTC.(1010)

Issue Date Range*
October 2010 – March 2013
(*see exhibit 2 for state's range)

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1. Scope & Purpose

This memorandum consists of materials which support the development of new premium rates for the policy series form listed on page 1. The purpose of this memorandum is to demonstrate that the requirements of this State in regards to an inforce rate increase request have been met. This rate filing is not intended to be used for any other purpose.

2. Requested Rate Increase

The company is requesting an average rate increase of 27% with the rate increase varying by benefit period and premium paying period. The requested rate increase for lifetime premium paying policies with 3 year benefit period is 10%, 6 year benefit period is 25% and lifetime benefit period is 30%. The requested premium rate schedule increase for lifetime premium paying policies is not considered sufficient to cover the adverse impact of the changes to the assumptions in this filing. If the average rate schedule increase of 55% were requested and implemented and the underlying assumptions with additional margin for moderately adverse conditions are realized no increase beyond 55% would be anticipated. Rates are not being increased for issue age 75+ policies with 3 year benefit period to ensure that inforce rates do not exceed new business rates. The requested rate increase for limited pay premium policies with 3 year benefit period is 25%, 6 year benefit period is 27% and lifetime benefit period is 29%. The requested premium rate schedule increase for limited pay premium policies is not considered sufficient to cover the adverse impact of the changes to the assumptions in this filing. If the average rate schedule increase of 130% were requested and implemented and the underlying assumptions with additional margin for moderately adverse conditions are realized no increase beyond 130% would be anticipated. The rate increases adhere to the following restrictions:

- a. We ensure that the proposed rate increase does not result in premium rates that exceed the rates for new business. This is demonstrated in the attached premium rate comparison.
- b. We ensure that the resulting overall increase in rates satisfies 14VAC5-200-153 C2, ensuring no less than an 85% loss ratio on the rate increase portion, while applying 74.2% to the current rate schedule. This is demonstrated in a revised Exhibit 1.
- c. The lifetime loss ratio after the proposed rate increase is greater than or equal to the lifetime loss ratio targeted in the original filing from this form.

New proposed rate tables for this policy form are included with this filing. The contingent non-forfeiture paid up benefit equal to the sum of premiums paid is being offered to all policyowners impacted by the rate increase whether or not their increase is above the substantial increase triggers.

The number of policyowners and amount of inforce premium, as of December 31, 2015, for your state and nationwide, are displayed in Exhibit 2. The exhibit also shows the average annual premium before and after the proposed rate increase.

3. Reason for Rate Increase Request

A rate increase is necessary at this time due to significantly higher anticipated future and lifetime loss ratios. The higher loss ratios are mainly the result of longer claim continuance with a greater effect on longer benefit periods, combined with lower lapse and mortality rates.

Northwestern Long Term Care Insurance Company (NLTC) has been evaluating this block and updating assumptions based on our experience as well as the LTCi industry experience. For the form specified above, the projected lifetime loss ratio based on the assumptions

outlined in this memo is worse than original pricing. The combined effect of changing the underlying claim costs and updating the mortality rates and persistency assumptions resulted in the need for a rate increase. The current premium levels are inadequate and, therefore, NLTC is requesting a rate increase in order to maintain the viability and financial stability of the policy form.

Even though we could justify a higher rate increase, at this time we have decided to request 27% taking into consideration the impact on our policyowners. If experience does not improve, we may need to request future rate increases on this policy form.

4. Rate Increase History

We have not requested any previous rate increases on this policy form, either in your state or on a nationwide basis.

5. Benefit Descriptions

This policy provides comprehensive long term care coverage, and reimburses eligible expenses of the insured up to the monthly limits of the policy. The product is priced to have level premiums. All premiums are guaranteed renewable. If the policy becomes paid-up, it becomes non-cancellable. The product is available at issue ages 18-79. Premiums are on a sex neutral basis.

The insured chooses a monthly limit, benefit period, elimination period, and premium-paying period. The plan reimburses eligible expenses up to the monthly limits once the elimination period is satisfied. The plan continues to reimburse expenses until eligible expenses are no longer incurred or benefits are exhausted.

Care can be provided by licensed health care practitioners in licensed nursing homes, alternate living facilities, the home, and adult day care agencies. Respite care and Hospice care are also covered.

The premium paying period options include Lifetime Pay, 10 Pay, and To Age 65. The Lifetime Pay premiums are paid for life, the 10 Pay premiums are paid for ten years after issue, and the To Age 65 premiums are paid until the policy anniversary nearest the insured's 65th birthday. The Lifetime Pay and 10 Pay premium paying period options are offered at issue ages 18-79; while the To Age 65 premium paying period option is only offered at issue ages 18-54.

Two indexing options are available. The first option, called the Automatic Benefit Increase option, is a level premium product with the monthly limit and the Benefit Account Value remaining indexing at 3%, 4%, or 5% per year. The insured chooses the indexing percentage at issue.

The second option, called the Automatic Additional Purchase Benefit, provides a level benefit while the insured does not require LTC benefits. The monthly limit and the Benefit Account Value remaining begin indexing at 5% per year if and when the insured is on claim. Also under this option, the insured has the option of purchasing an additional amount of coverage, equal to 5% of the prior year's monthly limit, each year while not on claim. This additional coverage also increases the Benefit Account Value. The premiums for the additional coverage are level and are based on the insured's current attained age. The insured can continue to purchase the additional coverage under this option until the later of age 85 or

the tenth policy anniversary, or until the insured has refused two of the optional increases in coverage.

All plans include the waiver of premium benefit.

An optional non-forfeiture benefit and survivorship benefit are also available. The non-forfeiture benefit, called Paid-Up Nonforfeiture Benefit, provides paid-up coverage when premium payments stop on or after the third policy anniversary via a smaller aggregate benefit amount. Although we are filing for a premium rate increase, the premiums under the non-forfeiture benefit are not changing at this time.

The survivorship benefit, called the Survivorship Benefit, is a benefit that can be purchased when two spouses or companions each purchase an NLTC long-term care policy. Beginning at the death of the first insured, this benefit will change the status of the second insured's policy to fully paid up.

Three underwriting classes exist: standard, class 1, and class 2. The policy is participating.

6. Renewability

All policy forms listed above are guaranteed renewable.

7. Applicability

This filing is applicable to in force policies only, as this policy form is no longer being sold in your state or nationwide. The premium changes will apply to the base form as well as to all applicable additional benefits. The premium change will also apply to future purchase option elections under the Automatic Additional Purchase Benefit. The premium changes will not apply to policies which have already reached paid-up status.

The company remains in the market, and currently sells similar long-term care insurance.

8. Marketing Method

All policy forms listed above were marketed by Northwestern Mutual's (parent company of NLTC) career captive field force.

9. Issue Age Ranges

Issue ages are from 18 to 79.

10. Actuarial Assumptions – Updated

This section includes the current assumptions used to justify the premium rate increase. These assumptions do not include any margin for adverse experience.

A. Morbidity - Updated

Claim costs from Milliman's 2014 edition of the Long Term Care Guidelines were used for morbidity estimates. The Guidelines have been developed in conjunction with professionals in several Milliman offices and reflect actual experience of various carriers, numerous studies of non-insurance data and judgment. The guidelines are a continually evolving rating structure that are modified as more experience becomes available.

The 2014 Milliman Guidelines were tailored to reflect NLTC's underwriting standards and claims administration practices. Milliman develops morbidity selection factors for three levels of underwriting: looser underwriting, average underwriting, and stricter underwriting. Milliman determined after analyzing NLTC's underwriting standards and practices that we fall in the stricter underwriting category. Milliman also came in to look at our claims administration practices to adjust the 2014 Milliman Guidelines in order to be more in line with how we administer long-term care claims. Final adjustments were made to morbidity recognizing anticipated morbidity differences due to NLTC's specific product design.

We also reviewed how the 2014 Milliman Guidelines compare to our own limited amount of long-term care claims data and our cash claim payments are in line with the expected basis. Since the 2014 Guidelines provided by Milliman were based on long-term care policies with specific benefits equal to what this policy form offers, our overall morbidity experience to-date, although limited and not credible, does not call into question the validity of the 2014 Milliman Guidelines for this block of business.

No morbidity improvement was assumed in pricing.

Appendix I shows a sample of claim costs used in determining the premium rate increase.

B. Expenses

Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate. Normal renewal commission rates will be applied on any increase in premium.

C. Mortality - Updated

Our mortality assumptions were developed using internal company experience and include underwriting selection factors. Mortality improvement is also assumed through attained age 105.

In comparing the pricing mortality table used to the 1994 Group Annuitant Mortality (94 GAM) table prescribed for valuation, the pricing ultimate rates are more conservative for the majority of issue ages. However, the biggest difference between the two tables is not the ultimate rates but that the pricing mortality recognizes lower mortality rates on recently underwritten business (mortality selection) and improved mortality over time (mortality improvement). Thus, the pricing mortality is more conservative than the prescribed table for valuation (94 GAM) which does not have selection or improvement.

D. Lapse – Updated

| Updated Lapse Rates | | |
|---------------------|--------------|-------------|
| Policy Year | Lifetime Pay | Limited Pay |
| 1 | 3.400% | 2.500% |
| 2 | 4.300% | 1.000% |
| 3 | 3.200% | 0.500% |
| 4 | 2.500% | 0.000% |
| 5 | 2.000% | 0.000% |
| 6 | 1.600% | 0.000% |
| 7 | 1.300% | 0.000% |
| 8 | 1.100% | 0.000% |
| 9 | 0.500% | 0.000% |
| 10+ | 0.500% | 0.000% |

Lapse Adjustment by Issue Age - These multipliers remain the same as those used for the original pricing.

Lapse Adjustment for Paid-Up Nonforfeiture Benefit - These multipliers remain the same as those used for the original pricing.

E. Interest

Discounting and accumulating of earned premiums and incurred claims for the purpose of calculating historical, future anticipated and lifetime loss ratios was performed using the maximum valuation interest rate.

F. Distribution

Distribution of Business by Issue Age:

| <u>Issue Age</u> | <u>Expected Distribution</u> | <u>Actual Distribution</u> |
|------------------|------------------------------|----------------------------|
| 25 | 1% | 3% |
| 30 | 1% | 3% |
| 35 | 2% | 4% |
| 40 | 9% | 6% |
| 52 | 33% | 37% |
| 57 | 25% | 23% |
| 62 | 17% | 16% |
| 67 | 7% | 6% |
| 72 | 2% | 1% |
| 77 | 1% | 0% |

Average issue age = 52.4

Distribution of Business by Plan:

| <u>Benefit Period</u> <u>(Years)</u> | <u>Expected</u> <u>Distribution</u> | <u>Actual</u> <u>Distribution</u> |
|---|--|--|
| 3 | 9% | 11% |
| 6 | 25% | 36% |
| Lifetime | 65% | 53% |
| <u>Elimination Period</u> <u>(Weeks)</u> | <u>Expected</u> <u>Distribution</u> | <u>Actual</u> <u>Distribution</u> |
| 6 | 3% | 2% |
| 12 | 88% | 88% |
| 25 | 6% | 7% |
| 52 | 3% | 3% |

Distribution of Business by Sex:

| <u>Sex</u> | <u>Expected</u> <u>Distribution</u> | <u>Actual</u> <u>Distribution</u> |
|-------------------|--|--|
| Male | 47% | 48% |
| Female | 53% | 52% |

Distribution of Business by Indexing Option:

| <u>Indexing Option</u> | <u>Expected</u> <u>Distribution</u> | <u>Actual</u> <u>Distribution</u> |
|---------------------------------------|--|--|
| None | 15% | 19% |
| Automatic Benefit Increase | 15% | 21% |
| Automatic Additional Purchase Benefit | 70% | 60% |

Distribution of Business by Spousal/Companion Discount:

| <u>Discount</u> | <u>Expected</u> <u>Distribution</u> | <u>Actual</u> <u>Distribution</u> |
|------------------------|--|--|
| Single | 16% | 11% |
| One Insured | 15% | 13% |
| Two Insured | 69% | 76% |

G. Loss Ratio – Updated

The updated anticipated loss ratio is 106.5% based on a discount rate of 4% and no margin for adverse experience. No margin for adverse experience was assumed since we are requesting less the full rate increase amount that would be required to certify based on regulations.

Assuming that the requested rate increase is approved our anticipated loss ratio would be reduced to 88.4%.

11. Actuarial Assumptions - Original

The initial premium rate schedule was based on the originally filed pricing assumptions which included margin for moderately adverse experience and were believed to be appropriate, given company and industry experience available, when the initial rate schedule was developed. The original pricing assumptions for morbidity, voluntary termination rates, and mortality were as follows:

A. Morbidity - Original

Claim costs from Milliman's 2009 edition of the Long Term Care Guidelines were used for morbidity estimates. The Guidelines were developed in conjunction with professionals in several Milliman offices during the mid-2000s and reflect actual experience of various carriers at that time, numerous studies of non-insurance data and actuarial judgment. The guidelines were established with a continually evolving rating structure that allow for modifications over time as more experience becomes available.

Selection factors were applied by policy year to reflect the morbidity anticipated due to underwriting. These factors were based on experience reviewed by Milliman for benefit plans similar to NLTC with modifications to reflect the level of underwriting. For the Automatic Additional Purchase Benefit option, composite selection factors were calculated from the factors above recognizing that initial underwriting will wear off over time. Final adjustments were made to morbidity recognizing anticipated morbidity differences due to NLTC specific underwriting and product design.

B. Mortality - Original

1994 Group Annuitant Mortality (GAM)

C. Lapse - Original

| Lapse Rates | | |
|--------------------|---------------------|--------------------|
| Policy Year | Lifetime Pay | Limited Pay |
| 1 | 3.000% | 2.500% |
| 2 | 2.750% | 1.000% |
| 3 | 2.500% | 0.500% |
| 4 | 2.250% | 0.000% |
| 5 | 2.000% | 0.000% |
| 6 | 1.750% | 0.000% |
| 7 | 1.500% | 0.000% |
| 8 | 1.250% | 0.000% |
| 9 | 1.250% | 0.000% |
| 10 | 1.250% | 0.000% |
| 11 | 1.125% | 0.000% |
| 12 | 1.000% | 0.000% |
| 13 | 0.875% | 0.000% |
| 14 | 0.750% | 0.000% |
| 15 | 0.625% | 0.000% |
| 16+ | 0.500% | 0.000% |

Lapse Adjustment by Issue Age: The following table of multipliers was used to adjust lapse rates for policies issued at older ages.

| Lapse Adjustment by Issue Age | | | |
|--------------------------------------|---------------------|---------------------|---------------------|
| Policy Year | Issue Ages 18-69 | Issue Ages 70-74 | Issue Ages 75-79 |
| 1 | 100% | 100% | 90% |
| 2 | 100% | 100% | 75% |
| 3 | 100% | 100% | 60% |
| 4 | 100% | 100% | 45% |
| 5 | 100% | 100% | 30% |
| 6 | 100% | 100% | 15% |
| 7 | 100% | 100% | 0% |
| 8 | 100% | 100% | 0% |
| 9 | 100% | 100% | 0% |
| 10 | 100% | 80% | 0% |
| 11 | 100% | 60% | 0% |
| 12 | 100% | 40% | 0% |
| 13 | 100% | 20% | 0% |
| 14+ | 100% | 0% | 0% |

Lapse Adjustment for Paid-Up Nonforfeiture Benefit - The following table of multipliers was used to adjust lapse rates for those policies with the Paid-Up Nonforfeiture Benefit (NFB) option:

| Policy Year | Lapse Adjustment Multiplier for NFB |
|-------------|--|
| 1 | 50% |
| 2 | 0% |
| 3 | 200% |
| 4 | 170% |
| 5+ | 110% |

D. Loss Ratio – Original

The original anticipated loss ratio was 74.2% based on a discount rate of 6% and a composite morbidity margin of 25%.

12. Underwriting

Medical underwriting was required for individual policies issued under this policy form and varied by issue age. LTC underwriting takes into account conditions or combinations of medical conditions that are likely to result in an impending need for services. There were three underwriting classes for this policy form: standard, class 1, and class 2.

13. Premium Classes

Premiums are unisex and payable for life, except if the policy becomes paid up as described in Section 5 above. The premiums may vary according to one or more of the following policy and policyholder attributes: issue age, benefit level, benefit period, elimination period, inflation option, premium mode, premium payment duration, marital status, and additional benefits.

A multi-life discount of 5% is also applied where policies were marketed to three or more lives of an employer/employee group or ten or more lives of an association group. This discount is available to members and retirees of these groups, as well as their parents, spouses, and spouses' parents.

14. Reserve Basis

A. Base Plans

Statutory Reserve Basis - Statutory Active Life Reserves are based on the claim costs developed for this plan which reflect a margin for moderately adverse experience. A one-year preliminary term method with 1994 Group Annuitant Mortality (GAM) and 4.0% interest is used. The calculation uses 80% of the expected voluntary lapses. The total termination rate reflects both mortality and voluntary lapse as described in this actuarial memorandum.

Disabled life reserves use the claim costs developed for this plan and the maximum statutory valuation interest rate by calendar year of claim onset.

Since the perceived appropriateness of reserve assumptions can change after issue, the company performs annual asset adequacy testing for its LTC block overall. Additional actuarial reserves due to asset adequacy testing have been held since 2012, and as of December 31, 2016, \$265 million was held for the LTC product line.

B. Paid-Up Nonforfeiture Benefit

Paid-Up Nonforfeiture Benefit Reserves use the same assumptions as the base plan except where noted below. Active life reserves are equal to:

a. The greater of:

1. The LTC active life reserve, and
2. The lapse benefit

plus

b. The Paid-Up Nonforfeiture Benefit Reserve

where:

The LTC active life reserve is consistent with the base policy.

The lapse benefit is equal to the present value of future claims for an insured if the policy is lapsed in the following year.

The Paid-Up Nonforfeiture Benefit Reserve is equal to the present value of future claims for all insureds currently in paid-up status.

Appendix I – Sample Claim Costs (Repricing without Margin for Moderately Adverse Experience)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| 3 Year Benefit Period: No Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | Male | | | | Female | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 19.098 | 16.842 | 14.162 | 11.351 | 14.240 | 12.488 | 10.384 | 8.158 |
| 65 | 49.238 | 43.303 | 36.164 | 28.409 | 52.435 | 46.284 | 38.868 | 30.639 |
| 75 | 190.828 | 167.536 | 138.749 | 105.275 | 237.535 | 211.012 | 178.885 | 141.806 |
| 85 | 780.438 | 684.581 | 564.353 | 419.194 | 1,111.973 | 991.323 | 844.954 | 671.633 |
| 95 | 1,652.962 | 1,423.646 | 1,130.887 | 786.643 | 2,694.664 | 2,389.954 | 2,013.617 | 1,553.058 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| 6 Year Benefit Period: No Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | Male | | | | Female | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 33.090 | 29.393 | 24.984 | 20.200 | 24.394 | 21.602 | 18.263 | 14.668 |
| 65 | 82.331 | 72.854 | 61.407 | 48.666 | 89.179 | 79.238 | 67.270 | 53.842 |
| 75 | 301.105 | 265.247 | 220.738 | 168.440 | 402.510 | 358.928 | 306.080 | 244.675 |
| 85 | 1,192.921 | 1,048.449 | 866.540 | 646.179 | 1,865.098 | 1,665.056 | 1,420.775 | 1,129.193 |
| 95 | 2,377.784 | 2,053.885 | 1,639.301 | 1,148.921 | 4,231.029 | 3,750.024 | 3,149.859 | 2,412.098 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| Lifetime Benefit Period: No Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | Male | | | | Female | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 53.020 | 47.546 | 41.069 | 33.894 | 43.716 | 39.266 | 34.024 | 28.295 |
| 65 | 127.089 | 113.567 | 97.364 | 79.036 | 151.508 | 136.157 | 117.959 | 97.487 |
| 75 | 433.331 | 385.252 | 326.021 | 256.057 | 644.320 | 579.339 | 501.652 | 411.619 |
| 85 | 1,657.306 | 1,469.632 | 1,235.647 | 952.132 | 2,849.201 | 2,561.328 | 2,214.287 | 1,802.641 |
| 95 | 3,295.815 | 2,885.196 | 2,364.184 | 1,740.021 | 6,191.692 | 5,534.897 | 4,726.402 | 3,740.136 |

Appendix I– Sample Claim Costs (cont.)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| 3 Year Benefit Period: With 5% Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 20.386 | 18.099 | 15.443 | 12.673 | 15.172 | 13.397 | 11.306 | 9.097 |
| 65 | 52.504 | 46.483 | 39.384 | 31.665 | 55.944 | 49.702 | 42.335 | 34.162 |
| 75 | 203.189 | 179.515 | 150.766 | 116.971 | 253.780 | 226.835 | 194.923 | 158.114 |
| 85 | 830.252 | 732.721 | 612.364 | 464.826 | 1,189.008 | 1,066.333 | 920.916 | 748.747 |
| 95 | 1,749.383 | 1,516.285 | 1,222.223 | 868.373 | 2,876.470 | 2,566.176 | 2,190.355 | 1,726.025 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| 6 Year Benefit Period: With 5% Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 37.017 | 33.114 | 28.567 | 23.657 | 27.232 | 24.294 | 20.865 | 17.194 |
| 65 | 91.627 | 81.644 | 69.837 | 56.667 | 99.524 | 89.038 | 76.710 | 62.929 |
| 75 | 332.185 | 294.515 | 248.578 | 193.982 | 449.293 | 403.189 | 348.587 | 285.282 |
| 85 | 1,309.453 | 1,157.942 | 970.208 | 739.274 | 2,079.631 | 1,867.597 | 1,614.406 | 1,311.733 |
| 95 | 2,577.323 | 2,240.753 | 1,815.054 | 1,299.582 | 4,670.878 | 4,163.200 | 3,540.756 | 2,766.340 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| Lifetime Benefit Period: With 5% Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 65.683 | 59.304 | 51.947 | 43.843 | 57.702 | 52.253 | 46.039 | 39.354 |
| 65 | 153.715 | 138.290 | 120.232 | 99.824 | 194.293 | 175.888 | 154.716 | 131.219 |
| 75 | 503.883 | 450.764 | 386.620 | 310.330 | 794.501 | 718.795 | 630.662 | 529.405 |
| 85 | 1,892.668 | 1,688.183 | 1,437.824 | 1,131.293 | 3,400.299 | 3,073.055 | 2,687.660 | 2,232.044 |
| 95 | 3,678.049 | 3,240.061 | 2,692.349 | 2,023.929 | 7,127.815 | 6,404.122 | 5,530.446 | 4,458.674 |

Appendix II– Sample Claim Costs (Original Pricing without Margin for Moderately Adverse Experience)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| 3 Year Benefit Period: No Indexing, by Elimination Period (weeks) | | | | | | | | |
| Attained | Male | | | | Female | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 22.420 | 19.681 | 16.234 | 13.475 | 15.901 | 13.831 | 11.220 | 9.084 |
| 65 | 51.931 | 45.086 | 36.234 | 28.366 | 56.402 | 49.023 | 39.608 | 31.608 |
| 75 | 182.380 | 157.430 | 125.080 | 94.937 | 225.182 | 196.807 | 160.329 | 127.620 |
| 85 | 662.010 | 567.876 | 443.223 | 318.195 | 1,029.806 | 902.063 | 735.593 | 580.549 |
| 95 | 1,364.982 | 1,152.939 | 876.463 | 603.157 | 2,457.969 | 2,153.865 | 1,758.321 | 1,372.705 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| 6 Year Benefit Period: No Indexing, by Elimination Period (weeks) | | | | | | | | |
| Attained | Male | | | | Female | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 35.168 | 30.963 | 25.607 | 21.130 | 24.774 | 21.702 | 17.804 | 14.581 |
| 65 | 76.089 | 66.309 | 53.610 | 42.217 | 85.597 | 74.818 | 60.987 | 49.061 |
| 75 | 253.984 | 219.628 | 174.808 | 132.599 | 335.765 | 294.220 | 240.518 | 192.016 |
| 85 | 874.975 | 751.096 | 586.728 | 422.156 | 1,493.069 | 1,308.004 | 1,065.401 | 836.688 |
| 95 | 1,772.567 | 1,500.955 | 1,145.328 | 792.625 | 3,437.365 | 3,006.521 | 2,442.158 | 1,889.077 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| Lifetime Benefit Period: No Indexing, by Elimination Period (weeks) | | | | | | | | |
| Attained | Male | | | | Female | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 53.857 | 47.451 | 39.268 | 32.371 | 41.315 | 36.374 | 30.109 | 24.983 |
| 65 | 112.902 | 98.509 | 79.801 | 62.994 | 134.696 | 118.134 | 96.892 | 78.705 |
| 75 | 356.273 | 308.098 | 245.178 | 185.835 | 504.260 | 442.421 | 362.443 | 290.456 |
| 85 | 1,198.973 | 1,028.939 | 803.259 | 577.406 | 2,125.246 | 1,860.943 | 1,514.105 | 1,186.705 |
| 95 | 2,409.420 | 2,039.603 | 1,555.084 | 1,074.353 | 4,760.903 | 4,160.253 | 3,372.542 | 2,600.110 |

Appendix II – Sample Claim Costs (cont.)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| 3 Year Benefit Period: With 5% Indexing, by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 24.600 | 21.814 | 18.360 | 15.696 | 17.405 | 15.301 | 12.682 | 10.594 |
| 65 | 56.776 | 49.806 | 40.892 | 33.041 | 61.700 | 54.195 | 44.736 | 36.849 |
| 75 | 199.069 | 173.657 | 141.022 | 110.587 | 246.582 | 217.678 | 180.980 | 148.569 |
| 85 | 720.577 | 624.631 | 498.569 | 370.597 | 1,127.751 | 997.450 | 829.691 | 675.071 |
| 95 | 1,480.743 | 1,265.056 | 985.642 | 704.848 | 2,692.324 | 2,381.591 | 1,981.887 | 1,593.833 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| 6 Year Benefit Period: With 5% Indexing, by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 40.663 | 36.209 | 30.611 | 26.063 | 28.596 | 25.356 | 21.302 | 18.053 |
| 65 | 87.037 | 76.758 | 63.562 | 51.845 | 98.418 | 87.066 | 72.682 | 60.530 |
| 75 | 288.125 | 252.176 | 205.699 | 161.834 | 385.377 | 341.568 | 285.626 | 235.881 |
| 85 | 983.249 | 854.340 | 684.615 | 512.752 | 1,706.913 | 1,511.772 | 1,258.830 | 1,022.071 |
| 95 | 1,981.558 | 1,700.429 | 1,334.595 | 965.828 | 3,911.115 | 3,457.511 | 2,869.179 | 2,293.217 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| Lifetime Benefit Period: With 5% Indexing, by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 66.815 | 59.669 | 50.656 | 43.258 | 53.908 | 48.202 | 41.081 | 35.518 |
| 65 | 137.069 | 121.336 | 101.120 | 83.171 | 170.268 | 151.622 | 128.048 | 108.489 |
| 75 | 419.057 | 367.708 | 301.230 | 238.389 | 619.691 | 551.371 | 464.136 | 387.224 |
| 85 | 1,385.424 | 1,206.606 | 971.090 | 732.839 | 2,531.735 | 2,246.039 | 1,875.232 | 1,527.585 |
| 95 | 2,761.476 | 2,375.818 | 1,873.556 | 1,367.068 | 5,584.030 | 4,942.029 | 4,108.029 | 3,290.544 |

Appendix III – Ratio of Current to Original Claim Costs

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| 3 Year Benefit Period: No Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 85% | 86% | 87% | 84% | 90% | 90% | 93% | 90% |
| 65 | 95% | 96% | 100% | 100% | 93% | 94% | 98% | 97% |
| 75 | 105% | 106% | 111% | 111% | 105% | 107% | 112% | 111% |
| 85 | 118% | 121% | 127% | 132% | 108% | 110% | 115% | 116% |
| 95 | 121% | 123% | 129% | 130% | 110% | 111% | 115% | 113% |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| 6 Year Benefit Period: No Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 94% | 95% | 98% | 96% | 98% | 100% | 103% | 101% |
| 65 | 108% | 110% | 115% | 115% | 104% | 106% | 110% | 110% |
| 75 | 119% | 121% | 126% | 127% | 120% | 122% | 127% | 127% |
| 85 | 136% | 140% | 148% | 153% | 125% | 127% | 133% | 135% |
| 95 | 134% | 137% | 143% | 145% | 123% | 125% | 129% | 128% |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| Lifetime Benefit Period: No Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 98% | 100% | 105% | 105% | 106% | 108% | 113% | 113% |
| 65 | 113% | 115% | 122% | 125% | 112% | 115% | 122% | 124% |
| 75 | 122% | 125% | 133% | 138% | 128% | 131% | 138% | 142% |
| 85 | 138% | 143% | 154% | 165% | 134% | 138% | 146% | 152% |
| 95 | 137% | 141% | 152% | 162% | 130% | 133% | 140% | 144% |

Appendix III – Ratio of Current to Original Claim Costs (cont.)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.


| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| 3 Year Benefit Period: With 5% Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 83% | 83% | 84% | 81% | 87% | 88% | 89% | 86% |
| 65 | 92% | 93% | 96% | 96% | 91% | 92% | 95% | 93% |
| 75 | 102% | 103% | 107% | 106% | 103% | 104% | 108% | 106% |
| 85 | 115% | 117% | 123% | 125% | 105% | 107% | 111% | 111% |
| 95 | 118% | 120% | 124% | 123% | 107% | 108% | 111% | 108% |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| 6 Year Benefit Period: With 5% Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 91% | 91% | 93% | 91% | 95% | 96% | 98% | 95% |
| 65 | 105% | 106% | 110% | 109% | 101% | 102% | 106% | 104% |
| 75 | 115% | 117% | 121% | 120% | 117% | 118% | 122% | 121% |
| 85 | 133% | 136% | 142% | 144% | 122% | 124% | 128% | 128% |
| 95 | 130% | 132% | 136% | 135% | 119% | 120% | 123% | 121% |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| Lifetime Benefit Period: With 5% Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 98% | 99% | 103% | 101% | 107% | 108% | 112% | 111% |
| 65 | 112% | 114% | 119% | 120% | 114% | 116% | 121% | 121% |
| 75 | 120% | 123% | 128% | 130% | 128% | 130% | 136% | 137% |
| 85 | 137% | 140% | 148% | 154% | 134% | 137% | 143% | 146% |
| 95 | 133% | 136% | 144% | 148% | 128% | 130% | 135% | 135% |

Actuarial Certification

I, Gregory Gurlik, am an Actuary and an officer of the Northwestern Long Term Care Insurance Company and am a member in good standing of the American Academy of Actuaries. I wrote the Actuarial Memorandum for the rate increase filing for form TT.LTC.(1010). The assumptions used as stated in this memorandum are reasonable and realistic for this product. To the best of my knowledge and judgment, this filing complies with the laws and regulations of your state and the benefits are reasonable in relation to the premiums charged.



Actuary

September 20, 2017

Date

Northwestern Long Term Care Insurance Company

Side by Side Comparison of UU.LTC(1014)Rev New Business Premium Rates and TT.LTC.(1010) Revised Premium Rates

Premium rates under the UU.LTC(1014)Rev policy form are on a sex distinct basis, whereas TT.LTC.(1010) premium rates are on a sex neutral basis. In order to compare the sex neutral rates to the sex distinct rates, the following Male-Female blend has been applied to the UU.LTC(1014)Rev rates for each discount type, consistent with the actual inforce gender mix for TT.LTC.(1010):

Single: 40% Male, 60% Female

Spousal 1: 44% Male, 56% Female

Spousal 2: 50% Male, 50% Female

The TT.LTC.(1010) revised premium rates are lower than the UU.LTC(1014)Rev new business premium rates for all policy types and issue ages.

Northwestern Long Term Care Insurance Company

Lifetime Pay Long-Term Care Policy Annual Premium

\$5,000 Maximum Monthly Limit for TT.LTC.(1010) Revised Sex Neutral Rates

\$5,000 Maximum Monthly Limit for UU.LTC(1014)Rev Sex Distinct New Business Rates - 40% Male, 60% Female Blend

No Discount/Single, 12 Week Elimination Period

| 3 Year Benefit Period No Indexing | | | |
|--------------------------------------|---------------|-----------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC(1014)Rev | Difference |
| 25 | 535 | 938 | -43% |
| 30 | 590 | 1,030 | -43% |
| 35 | 645 | 1,146 | -44% |
| 40 | 710 | 1,279 | -44% |
| 52 | 1,175 | 1,705 | -31% |
| 57 | 1,500 | 2,072 | -28% |
| 62 | 2,035 | 2,643 | -23% |
| 67 | 3,015 | 3,719 | -19% |
| 72 | 4,945 | 5,513 | -10% |
| 77 | 7,170 | 8,111 | -12% |

| 3 Year Benefit Period Automatic Benefit Increase Option | | | |
|--|---------------|-----------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC(1014)Rev | Difference |
| 25 | 3,275 | 11,242 | -71% |
| 30 | 3,330 | 10,340 | -68% |
| 35 | 3,385 | 9,618 | -65% |
| 40 | 3,450 | 8,905 | -61% |
| 52 | 4,050 | 7,431 | -45% |
| 57 | 4,450 | 7,347 | -39% |
| 62 | 5,170 | 7,523 | -31% |
| 67 | 6,575 | 8,791 | -25% |
| 72 | 9,255 | 10,953 | -16% |
| 77 | 11,900 | 13,551 | -12% |

| 3 Year Benefit Period Automatic Additional Purchase Benefit | | | |
|--|---------------|-----------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC(1014)Rev | Difference |
| 25 | 565 | 962 | -41% |
| 30 | 625 | 1,057 | -41% |
| 35 | 680 | 1,178 | -42% |
| 40 | 750 | 1,314 | -43% |
| 52 | 1,250 | 1,759 | -29% |
| 57 | 1,600 | 2,137 | -25% |
| 62 | 2,185 | 2,743 | -20% |
| 67 | 3,245 | 3,873 | -16% |
| 72 | 5,340 | 5,795 | -8% |
| 77 | 7,770 | 8,687 | -11% |

| 6 Year Benefit Period No Indexing | | | |
|--------------------------------------|---------------|-----------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC(1014)Rev | Difference |
| 25 | 730 | 1,274 | -43% |
| 30 | 825 | 1,424 | -42% |
| 35 | 905 | 1,618 | -44% |
| 40 | 955 | 1,828 | -48% |
| 52 | 1,615 | 2,537 | -36% |
| 57 | 2,065 | 3,142 | -34% |
| 62 | 2,800 | 4,099 | -32% |
| 67 | 4,150 | 5,789 | -28% |
| 72 | 6,815 | 8,623 | -21% |
| 77 | 10,825 | 12,955 | -16% |

| 6 Year Benefit Period Automatic Benefit Increase Option | | | |
|--|---------------|-----------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC(1014)Rev | Difference |
| 25 | 4,835 | 16,926 | -71% |
| 30 | 4,930 | 15,529 | -68% |
| 35 | 5,010 | 14,446 | -65% |
| 40 | 5,060 | 13,314 | -62% |
| 52 | 5,870 | 11,039 | -47% |
| 57 | 6,405 | 10,931 | -41% |
| 62 | 7,350 | 11,212 | -34% |
| 67 | 9,305 | 13,149 | -29% |
| 72 | 13,185 | 16,376 | -19% |
| 77 | 18,420 | 20,708 | -11% |

| 6 Year Benefit Period Automatic Additional Purchase Benefit | | | |
|--|---------------|-----------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC(1014)Rev | Difference |
| 25 | 800 | 1,341 | -40% |
| 30 | 900 | 1,502 | -40% |
| 35 | 985 | 1,709 | -42% |
| 40 | 1,045 | 1,936 | -46% |
| 52 | 1,785 | 2,696 | -34% |
| 57 | 2,295 | 3,362 | -32% |
| 62 | 3,120 | 4,412 | -29% |
| 67 | 4,645 | 6,298 | -26% |
| 72 | 7,660 | 9,515 | -19% |
| 77 | 12,215 | 14,898 | -18% |

Northwestern Long Term Care Insurance Company

Lifetime Pay Long-Term Care Policy Annual Premium

\$5,000 Maximum Monthly Limit for TT.LTC.(1010) Revised Sex Neutral Rates

\$5,000 Maximum Monthly Limit for UU.LTC(1014)Rev Sex Distinct New Business Rates - 44% Male, 56% Female Blend

Spousal - One Insured Discount, 12 Week Elimination Period

| 3 Year Benefit Period No Indexing | | | |
|--------------------------------------|---------------|-----------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC(1014)Rev | Difference |
| 25 | 455 | 882 | -48% |
| 30 | 502 | 968 | -48% |
| 35 | 548 | 1,076 | -49% |
| 40 | 604 | 1,199 | -50% |
| 52 | 999 | 1,594 | -37% |
| 57 | 1,275 | 1,938 | -34% |
| 62 | 1,730 | 2,473 | -30% |
| 67 | 2,563 | 3,476 | -26% |
| 72 | 4,203 | 5,148 | -18% |
| 77 | 6,095 | 7,571 | -20% |

| 3 Year Benefit Period Automatic Benefit Increase Option | | | |
|--|---------------|-----------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC(1014)Rev | Difference |
| 25 | 2,784 | 10,469 | -73% |
| 30 | 2,831 | 9,627 | -71% |
| 35 | 2,877 | 8,951 | -68% |
| 40 | 2,933 | 8,282 | -65% |
| 52 | 3,443 | 6,895 | -50% |
| 57 | 3,783 | 6,817 | -45% |
| 62 | 4,395 | 6,989 | -37% |
| 67 | 5,589 | 8,163 | -32% |
| 72 | 7,867 | 10,182 | -23% |
| 77 | 10,115 | 12,605 | -20% |

| 3 Year Benefit Period Automatic Additional Purchase Benefit | | | |
|--|---------------|-----------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC(1014)Rev | Difference |
| 25 | 480 | 905 | -47% |
| 30 | 531 | 993 | -46% |
| 35 | 578 | 1,106 | -48% |
| 40 | 638 | 1,232 | -48% |
| 52 | 1,063 | 1,644 | -35% |
| 57 | 1,360 | 1,998 | -32% |
| 62 | 1,857 | 2,565 | -28% |
| 67 | 2,758 | 3,618 | -24% |
| 72 | 4,539 | 5,406 | -16% |
| 77 | 6,605 | 8,101 | -18% |

| 6 Year Benefit Period No Indexing | | | |
|--------------------------------------|---------------|-----------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC(1014)Rev | Difference |
| 25 | 621 | 1,195 | -48% |
| 30 | 701 | 1,335 | -47% |
| 35 | 769 | 1,515 | -49% |
| 40 | 812 | 1,710 | -53% |
| 52 | 1,373 | 2,369 | -42% |
| 57 | 1,755 | 2,934 | -40% |
| 62 | 2,380 | 3,826 | -38% |
| 67 | 3,528 | 5,400 | -35% |
| 72 | 5,793 | 8,032 | -28% |
| 77 | 9,201 | 12,060 | -24% |

| 6 Year Benefit Period Automatic Benefit Increase Option | | | |
|--|---------------|-----------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC(1014)Rev | Difference |
| 25 | 4,110 | 15,739 | -74% |
| 30 | 4,191 | 14,436 | -71% |
| 35 | 4,259 | 13,423 | -68% |
| 40 | 4,301 | 12,363 | -65% |
| 52 | 4,990 | 10,226 | -51% |
| 57 | 5,444 | 10,129 | -46% |
| 62 | 6,248 | 10,404 | -40% |
| 67 | 7,909 | 12,193 | -35% |
| 72 | 11,207 | 15,193 | -26% |
| 77 | 15,657 | 19,221 | -19% |

| 6 Year Benefit Period Automatic Additional Purchase Benefit | | | |
|--|---------------|-----------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC(1014)Rev | Difference |
| 25 | 680 | 1,257 | -46% |
| 30 | 765 | 1,407 | -46% |
| 35 | 837 | 1,599 | -48% |
| 40 | 888 | 1,809 | -51% |
| 52 | 1,517 | 2,515 | -40% |
| 57 | 1,951 | 3,136 | -38% |
| 62 | 2,652 | 4,114 | -36% |
| 67 | 3,948 | 5,867 | -33% |
| 72 | 6,511 | 8,850 | -26% |
| 77 | 10,383 | 13,836 | -25% |

Northwestern Long Term Care Insurance Company

Lifetime Pay Long-Term Care Policy Annual Premium

\$5,000 Maximum Monthly Limit for TT.LTC.(1010) Revised Sex Neutral Rates

\$5,000 Maximum Monthly Limit for UU.LTC(1014)Rev Sex Distinct New Business Rates - 50% Male, 50% Female Blend

Spousal - Two Insured Discount, 12 Week Elimination Period

| 3 Year Benefit Period No Indexing | | | |
|--------------------------------------|---------------|-----------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC(1014)Rev | Difference |
| 25 | 375 | 732 | -49% |
| 30 | 413 | 802 | -49% |
| 35 | 452 | 890 | -49% |
| 40 | 497 | 990 | -50% |
| 52 | 823 | 1,310 | -37% |
| 57 | 1,050 | 1,594 | -34% |
| 62 | 1,425 | 2,034 | -30% |
| 67 | 2,111 | 2,856 | -26% |
| 72 | 3,462 | 4,222 | -18% |
| 77 | 5,019 | 6,206 | -19% |

| 3 Year Benefit Period Automatic Benefit Increase Option | | | |
|--|---------------|-----------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC(1014)Rev | Difference |
| 25 | 2,293 | 8,550 | -73% |
| 30 | 2,331 | 7,860 | -70% |
| 35 | 2,370 | 7,302 | -68% |
| 40 | 2,415 | 6,750 | -64% |
| 52 | 2,835 | 5,598 | -49% |
| 57 | 3,115 | 5,536 | -44% |
| 62 | 3,619 | 5,686 | -36% |
| 67 | 4,603 | 6,636 | -31% |
| 72 | 6,479 | 8,292 | -22% |
| 77 | 8,330 | 10,276 | -19% |

| 3 Year Benefit Period Automatic Additional Purchase Benefit | | | |
|--|---------------|-----------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC(1014)Rev | Difference |
| 25 | 396 | 750 | -47% |
| 30 | 438 | 822 | -47% |
| 35 | 476 | 914 | -48% |
| 40 | 525 | 1,016 | -48% |
| 52 | 875 | 1,350 | -35% |
| 57 | 1,120 | 1,642 | -32% |
| 62 | 1,530 | 2,108 | -27% |
| 67 | 2,272 | 2,970 | -24% |
| 72 | 3,738 | 4,428 | -16% |
| 77 | 5,439 | 6,630 | -18% |

| 6 Year Benefit Period No Indexing | | | |
|--------------------------------------|---------------|-----------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC(1014)Rev | Difference |
| 25 | 511 | 988 | -48% |
| 30 | 578 | 1,102 | -48% |
| 35 | 634 | 1,248 | -49% |
| 40 | 669 | 1,406 | -52% |
| 52 | 1,131 | 1,942 | -42% |
| 57 | 1,446 | 2,406 | -40% |
| 62 | 1,960 | 3,136 | -38% |
| 67 | 2,905 | 4,422 | -34% |
| 72 | 4,771 | 6,562 | -27% |
| 77 | 7,578 | 9,844 | -23% |

| 6 Year Benefit Period Automatic Benefit Increase Option | | | |
|--|---------------|-----------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC(1014)Rev | Difference |
| 25 | 3,385 | 12,824 | -74% |
| 30 | 3,451 | 11,756 | -71% |
| 35 | 3,507 | 10,924 | -68% |
| 40 | 3,542 | 10,050 | -65% |
| 52 | 4,109 | 8,282 | -50% |
| 57 | 4,484 | 8,208 | -45% |
| 62 | 5,145 | 8,448 | -39% |
| 67 | 6,514 | 9,890 | -34% |
| 72 | 9,230 | 12,334 | -25% |
| 77 | 12,894 | 15,616 | -17% |

| 6 Year Benefit Period Automatic Additional Purchase Benefit | | | |
|--|---------------|-----------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC(1014)Rev | Difference |
| 25 | 476 | 1,038 | -54% |
| 30 | 536 | 1,160 | -54% |
| 35 | 586 | 1,316 | -55% |
| 40 | 622 | 1,486 | -58% |
| 52 | 1,062 | 2,060 | -48% |
| 57 | 1,366 | 2,568 | -47% |
| 62 | 1,856 | 3,366 | -45% |
| 67 | 2,764 | 4,794 | -42% |
| 72 | 4,558 | 7,214 | -37% |
| 77 | 7,268 | 11,250 | -35% |

Explanation of Assumptions and Rate Increase

The company is requesting an average rate increase of 27% with the rate increase varying by benefit period and premium paying period for the TT.LTC.(1010) policy form. The requested rate increase for lifetime premium paying policies with 3 year benefit period is 10%, 6 year benefit period is 25% and lifetime benefit period is 30%. Rates are not being increased for issue age 75+ policies with 3 year benefit period to ensure that inforce rates do not exceed new business rates. The requested rate increase for limited pay premium policies with 3 year benefit period is 25%, 6 year benefit period is 27% and lifetime benefit period is 29%.

New proposed rate tables for this policy form are included with this filing. The contingent non-forfeiture paid up benefit equal to the sum of premiums paid is being offered to all policyowners impacted by the rate increase whether or not their increase is above the substantial increase triggers.

A rate increase is necessary at this time due to significantly higher anticipated future and lifetime loss ratios. The higher loss ratios are mainly the result of longer claim continuance with a greater effect on longer benefit periods, combined with lower lapse and mortality rates.

Northwestern Long Term Care Insurance Company (NLTC) has been evaluating this block and updating assumptions based on our experience as well as the LTCi industry experience. For the form specified above, the projected lifetime loss ratio based on the assumptions outlined in the actuarial memorandum is worse than original pricing. The combined effect of changing the underlying claim costs and updating the mortality rates and persistency assumptions resulted in the need for a rate increase. The current premium levels are inadequate and, therefore, NLTC is requesting a rate increase in order to maintain the viability and financial stability of the policy form.

Even though we could justify a higher rate increase, at this time we have decided to request 27% taking into consideration the impact on our policyowners. If experience does not improve, we may need to request future rate increases on this policy form.

Long Term Care Insurance Rate Request Summary
Part 1 – To Be Completed By Company

Reset Form

| | |
|-------------------------------|---|
| Company Name and NAIC Number: | Northwestern Long Term Care Insurance Company |
| SERFF Tracking Number: | NWST-130932377 |
| Effective Date: | On approval |

Revised Rates

| | |
|--|---------|
| Average Annual Premium Per Member: | \$3,460 |
| Average Requested Percentage Rate Change Per Member: | 27% |
| Minimum Requested Percentage Rate Change Per Member: | 0% |
| Maximum Requested Percentage Rate Change Per Member: | 30% |
| Number of Policy Holders Affected : | 2,472 |

Plans Affected

(The Form Number and “Product Name”)

| Form# | “Product Name”(if applicable) |
|---------------|-------------------------------|
| TT.LTC.(1010) | QuietCare TT |

Attach a brief narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

This document is intended to help explain the rate filing and it is only a summary of the company’s request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing.

Northwestern Long-Term Care Insurance Company

Status of Filings as of 2/22/2017
TT2010 Series Lifetime Pay Policy Forms

| 2016 / 2017 Rate Action (filings still in progress) | | | | | | | |
|---|---|--|-----------------------------|----------------------------------|---|----------------------------------|----------------------------------|
| Jurisdiction | 12/31/16 Annualized Earned Premium | 12/31/16 Distribution of Earned Premium | 12/31/16 Policy Count | Current Status ^{2,3} | Percentage Increase Approved/Pending ⁵ | | |
| | | | | | 3 year Benefit Period ⁴ | 6 year Benefit Period | Lifetime Benefit Period |
| Alabama | \$1,696,209 | 1.2% | 965 | Pending | 10% | 25% | 30% |
| Alaska | \$66,254 | 0.04% | 26 | Approved | 10% | 25% | 30% |
| Arizona | \$1,415,799 | 1.0% | 597 | Pending | 10% | 25% | 30% |
| Arkansas | \$1,053,622 | 0.7% | 555 | Approved | 10% | 25% | 30% |
| California | \$0 | 0.0% | 0 | Not filed | N/A | N/A | N/A |
| Colorado | \$4,324,362 | 3.0% | 2,085 | Pending | 10% | 25% | 30% |
| Connecticut | \$3,724,381 | 2.6% | 1,188 | Pending | 27% | 27% | 27% |
| Delaware ¹ | \$76,803 | 0.05% | 29 | Approved | 10% | 25% | 25% |
| District of Columbia | \$279,159 | 0.2% | 92 | Approved | 10% | 25% | 30% |
| Florida | \$7,164,436 | 5.0% | 3,427 | To be filed | | | |
| Georgia ¹ | \$5,191,649 | 3.6% | 2,386 | Approved | 10% | 20% | 25% |
| Hawaii | \$470,268 | 0.3% | 221 | Pending | 10% | 25% | 30% |
| Idaho | \$1,039,722 | 0.7% | 482 | Approved | 10% | 25% | 30% |
| Illinois | \$14,215,326 | 9.8% | 5,919 | To be filed | | | |
| Indiana | \$3,867,327 | 2.6% | 1,636 | Pending | 10% | 25% | 30% |
| Iowa ¹ | \$4,024,477 | 2.8% | 2,297 | Approved | 10% | 17.9% yr 1 6.02% yr 2 | 17.9% yr 1 10.26% yr 2 |
| Kansas | \$1,347,486 | 0.9% | 702 | To be filed | | | |
| Kentucky | \$2,076,379 | 1.4% | 892 | Approved | 10% | 25% | 30% |
| Louisiana | \$2,578,334 | 1.8% | 1,359 | Pending | 10% | 25% | 30% |
| Maine ¹ | \$298,938 | 0.2% | 107 | Approved | 10% | 15% yr 1 8.7% yr 2 | 15% yr 1 13% yr 2 |
| Maryland ¹ | \$2,088,423 | 1.4% | 741 | Pending | 10% | 15% | 15% |
| Massachusetts | \$3,200,852 | 2.2% | 1,038 | Pending | 10% | 25% | 30% |
| Michigan | \$3,853,318 | 2.7% | 1,795 | Approved | 10% | 25% | 30% |
| Minnesota ¹ | \$7,086,866 | 4.9% | 3,733 | Approved | 10% | 15% yr 1 8.7% yr 2 | 15% yr 1 13% yr 2 |
| Mississippi ¹ | \$1,060,740 | 0.7% | 477 | Approved | 10% | 25% | 25% |
| Missouri | \$4,167,840 | 2.9% | 2,038 | Pending | 10% | 25% | 30% |
| Montana | \$519,331 | 0.4% | 248 | Pending | 10% | 25% | 30% |
| Nebraska | \$2,046,451 | 1.4% | 1,132 | Approved | 10% | 25% | 30% |
| Nevada | \$371,891 | 0.3% | 180 | Pending | 10% | 25% | 30% |
| New Hampshire ¹ | \$700,530 | 0.5% | 235 | Approved | 10% | 25% (attained age cap at 83+) | 30% (attained age cap at 81+) |
| New Jersey | \$4,442,593 | 3.1% | 1,596 | Pending | 10% | 25% | 30% |
| New Mexico | \$604,321 | 0.4% | 293 | To be filed | | | |
| New York | \$9,642,283 | 6.7% | 3,329 | To be filed | | | |
| North Carolina | \$5,634,087 | 3.9% | 2,839 | Pending | 10% | 25% | 30% |
| North Dakota | \$787,415 | 0.5% | 392 | Not Approved | No rate increase approved at this time | | |
| Ohio | \$5,316,337 | 3.6% | 2,578 | Approved | 10% | 15% | 15% |
| Oklahoma | \$931,981 | 0.6% | 395 | Approved | 10% | 10% | 10% |
| Oregon | \$1,675,675 | 1.2% | 706 | Approved | 10% | 25% | 30% |
| Pennsylvania | \$3,441,990 | 2.4% | 1,462 | Approved | 10% | 20% | 20% |
| Rhode Island | \$365,461 | 0.3% | 159 | Pending | 10% | 25% | 30% |
| South Carolina ¹ | \$1,597,838 | 1.1% | 772 | Approved | 10% | 20% | 20% |
| South Dakota | \$894,164 | 0.6% | 429 | Approved | 10% | 25% | 30% |
| Tennessee | \$3,285,762 | 2.2% | 1,679 | Approved | 10% | 25% | 30% |
| Texas | \$6,070,520 | 4.2% | 2,948 | To be filed | | | |
| Utah | \$489,465 | 0.4% | 241 | Approved | 10% | 25% | 30% |
| Vermont | \$233,093 | 0.2% | 68 | Pending | 10% | 25% | 30% |
| Virginia | \$5,101,757 | 3.5% | 2,189 | Pending | 10% | 25% | 30% |
| Washington | \$3,284,500 | 2.2% | 1,564 | Approved | 10% | 25% | 30% |
| West Virginia | \$1,017,581 | 0.7% | 383 | Approved | 10% | 25% | 30% |
| Wisconsin | \$9,884,865 | 6.8% | 4,539 | Approved | 10% | 25% | 30% |
| Wyoming | \$152,929 | 0.1% | 84 | Approved | 10% | 25% | 30% |
| Total | \$144,861,792 | 100.0% | 65,227 | | | | |

¹ Percentage increase variations due to state requirements. Phased in increases are stated as a percentage of the previous year's premium for IA, ME, and MN.

² All jurisdictions "to be filed" are anticipated to be filed before the end of February 2017 wherever allowed.

³ Rate increase "Not filed" in jurisdictions where series not sold or policies no longer in force.

⁴ For the 3 year benefit period, the rate increase grades from 10% at issue ages in the early 70s to 0% for issue ages 75+.

⁵ The non-forfeiture benefit premiums are not changing at this time. For policies with the non-forfeiture benefit, the overall premium increase will be relatively less than that shown in the table above.

Northwestern Long-Term Care Insurance Company

Status of Filings as of 2/22/2017
TT2010 Series Limited Pay Policy Forms

| 2016 / 2017 Rate Action (filings still in progress) | | | | | | | |
|---|---|--|-----------------------------|----------------------------------|---|----------------------------------|----------------------------------|
| Jurisdiction | 12/31/16 Annualized Earned Premium | 12/31/16 Distribution of Earned Premium | 12/31/16 Policy Count | Current Status ^{2,3} | Percentage Increase Approved/Pending ⁴ | | |
| | | | | | 3 year Benefit Period | 6 year Benefit Period | Lifetime Benefit Period |
| Alabama | \$833,550 | 1.8% | 146 | Pending | 25% | 27% | 29% |
| Alaska | \$0 | 0.0% | 0 | Not filed | N/A | N/A | N/A |
| Arizona | \$216,173 | 0.4% | 40 | Pending | 25% | 27% | 29% |
| Arkansas | \$191,436 | 0.4% | 52 | Approved | 25% | 27% | 29% |
| California | \$0 | 0.0% | 0 | Not filed | N/A | N/A | N/A |
| Colorado | \$1,249,818 | 2.7% | 221 | Pending | 25% | 27% | 29% |
| Connecticut | \$1,045,512 | 2.2% | 136 | Pending | 27% | 27% | 27% |
| Delaware ¹ | \$0 | 0.0% | 0 | Not filed | N/A | N/A | N/A |
| District of Columbia | \$138,122 | 0.3% | 16 | Approved | 25% | 27% | 29% |
| Florida | \$1,891,514 | 4.0% | 362 | To be filed | | | |
| Georgia ¹ | \$2,118,726 | 4.6% | 366 | Approved | 10% | 20% | 25% |
| Hawaii | \$277,409 | 0.6% | 52 | Pending | 25% | 27% | 29% |
| Idaho | \$171,443 | 0.4% | 35 | Approved | 25% | 27% | 29% |
| Illinois | \$4,172,779 | 9.2% | 684 | To be filed | | | |
| Indiana | \$1,004,655 | 2.2% | 185 | Pending | 25% | 27% | 29% |
| Iowa ¹ | \$1,340,507 | 2.8% | 370 | Approved | 17.9% yr 1 6.02% yr 2 | 17.9% yr 1 7.71% yr 2 | 17.9% yr 1 9.41% yr 2 |
| Kansas | \$734,583 | 1.5% | 172 | To be filed | | | |
| Kentucky | \$641,617 | 1.4% | 120 | Approved | 25% | 27% | 29% |
| Louisiana | \$873,619 | 2.0% | 200 | Pending | 25% | 27% | 29% |
| Maine ¹ | \$175,098 | 0.4% | 35 | Approved | 15% yr 1 8.7% yr 2 | 15% yr 1 10.4% yr 2 | 15% yr 1 12.2% yr 2 |
| Maryland ¹ | \$694,215 | 1.4% | 96 | Pending | 15% | 15% | 15% |
| Massachusetts | \$1,107,419 | 2.3% | 128 | Pending | 25% | 27% | 29% |
| Michigan | \$1,673,423 | 3.8% | 366 | Approved | 25% | 27% | 29% |
| Minnesota ¹ | \$2,110,800 | 4.5% | 380 | Approved | 15% yr 1 8.7% yr 2 | 15% yr 1 10.4% yr 2 | 15% yr 1 12.2% yr 2 |
| Mississippi ¹ | \$554,392 | 1.2% | 106 | Approved | 25% | 25% | 25% |
| Missouri | \$1,090,740 | 2.3% | 229 | Pending | 25% | 27% | 29% |
| Montana | \$245,310 | 0.5% | 54 | Pending | 25% | 27% | 29% |
| Nebraska | \$477,174 | 1.0% | 113 | Approved | 25% | 27% | 29% |
| Nevada | \$121,739 | 0.3% | 22 | Pending | 25% | 27% | 29% |
| New Hampshire ¹ | \$188,249 | 0.4% | 38 | Approved | 25% (attained age cap at 83+) | 27% (attained age cap at 82+) | 29% (attained age cap at 81+) |
| New Jersey | \$1,838,609 | 3.9% | 250 | Pending | 25% | 27% | 29% |
| New Mexico | \$63,192 | 0.1% | 23 | To be filed | | | |
| New York | \$3,650,665 | 7.9% | 459 | To be filed | | | |
| North Carolina | \$1,242,695 | 2.8% | 269 | Pending | 25% | 27% | 29% |
| North Dakota | \$167,306 | 0.4% | 23 | Approved | 15% | 15% | 15% |
| Ohio | \$1,583,651 | 3.4% | 268 | Approved | 15% | 15% | 15% |
| Oklahoma | \$182,243 | 0.4% | 42 | Approved | 10% | 10% | 10% |
| Oregon | \$591,186 | 1.3% | 135 | Approved | 25% | 27% | 29% |
| Pennsylvania | \$709,640 | 1.5% | 123 | Approved | 20% | 20% | 20% |
| Rhode Island | \$113,097 | 0.2% | 14 | Pending | 25% | 27% | 29% |
| South Carolina ¹ | \$759,038 | 1.6% | 151 | Approved | 20% | 20% | 20% |
| South Dakota | \$572,364 | 1.2% | 114 | Approved | 25% | 27% | 29% |
| Tennessee | \$729,286 | 1.5% | 127 | Approved | 25% | 27% | 29% |
| Texas | \$2,622,097 | 5.8% | 465 | To be filed | | | |
| Utah | \$242,248 | 0.6% | 74 | Approved | 25% | 27% | 29% |
| Vermont | \$49,754 | 0.1% | 9 | Pending | 25% | 27% | 29% |
| Virginia | \$1,702,936 | 3.6% | 244 | Pending | 25% | 27% | 29% |
| Washington | \$640,773 | 1.4% | 119 | Approved | 25% | 27% | 29% |
| West Virginia | \$277,293 | 0.6% | 61 | Approved | 25% | 27% | 29% |
| Wisconsin | \$3,004,050 | 6.5% | 536 | Approved | 25% | 27% | 29% |
| Wyoming | \$122,653 | 0.3% | 13 | Approved | 25% | 27% | 29% |
| Total | \$46,204,800 | 100.0% | 8,243 | | | | |

¹ Percentage increase variations due to state requirements. Phased in increases are stated as a percentage of the previous year's premium for IA, ME, and MN.

² All jurisdictions "to be filed" are anticipated to be filed before the end of February 2017 wherever allowed.

³ Rate increase "Not filed" in jurisdictions where series not sold or policies no longer in force.

⁴ The non-forfeiture benefit premiums are not changing at this time. For policies with the non-forfeiture benefit, the overall premium increase will be relatively less than that shown in the table above.

[Month DD, YYYY]

[LIFE ADDRESS1]
[LIFE ADDRESS2]
[LIFE ADDRESS3]
[LIFE ADDRESS4]

Re: [LifeFname LifeLname] LTC[policy no] ISA [#####]

Dear [LifeFname LifeLname]:

Northwestern Long Term Care Insurance Company (NLTC) is committed to ensuring that long-term care insurance benefits will be available when our policyowners need them. After careful consideration, we have made the difficult but necessary decision to increase the premium on your long-term care insurance (LTC) policy. We value you as a policyowner and understand that a premium increase may be unsettling. Please know that we are committed to helping you understand your options so that you can make the best decision for you. Please read this letter carefully and in its entirety. It contains important information about your coverage and the benefit options available to you.

About this Increase

Thanks to medical advances, people are living longer today than ever before. While this is something we are thankful for, it has increased the anticipated cost of future LTC claims for the industry as a whole and NLTC. Our analysis shows that unfortunately, claims are now anticipated to be significantly higher than we originally projected when we determined the premium for your policy.

Important information about the premium increase for your policy is provided in the following chart. [As a reminder, you elected to have the Automatic Additional Purchase Benefit (AAPB) provision to help keep your coverage in line with rising costs of long-term care. This optional benefit provision automatically increases the policy benefit and premium annually. You have the option of declining these increases. For this reason the chart provides you with your new premium with and without the AAPB benefit increase.]

Premium and Benefit Breakdown

| [POLICY BENEFIT] | CURRENT [MODE] PREMIUM | NEW [MODE] PREMIUM | PREMIUM INCREASE AMOUNT | EFFECTIVE DATE |
|--|------------------------------|-----------------------|-------------------------------|-------------------|
| [MML/MDL] [\$xx,xxx Without the AAPB increase] | [\$00,000.00] | [\$00,000.00] | [\$0,000.00] | [00/00/0000] |
| [MML/MDL] [\$xx,xxx With the AAPB increase] | [\$00,000.00] | [\$00,000.00] | [\$00,000.00] | [00/00/0000] |

[Important Information about your Automatic Additional Purchase Benefit (AAPB): You can decline this scheduled AAPB increase by completing and returning the enclosed Personalized Options Form on or before [anniversary date.] Your Automatic Additional Purchase benefit gives you the option to increase your coverage every year on the policy anniversary until two annual AAPB increases have been declined.] [To date you have declined one AAPB increase.] [After two AAPB increases have been declined, you will no longer receive annual AAPB increases unless you later qualify for and receive long term care benefits.]

It is important to know that no individual has been singled out for an increase, nor is the increase due to a change in your age, health, claims history, or any other individual characteristic. We are increasing premiums for all similarly-situated policyowners in your state as authorized by your state's department of insurance. While we hope it does not become necessary, premium rates are not guaranteed and may be increased again in the future under the terms of your policy.

[No action is needed while your premium is being waived. Since you are currently receiving benefits and not paying premiums due to the Waiver of Premium provision in your policy, you do not need to pay the new premium at this time. This letter is notifying you that the premium increase illustrated above will become payable in the future if and when your claim for benefits ends and the Waiver of Premium provision is no longer in effect.]

Understanding your Options

If you do not want to or cannot pay the increased premium, you have several options available to help reduce the impact of the increase.

- **Policy Change Options:** We've included a detailed list of policy change options that are available to help offset the premium increase. These options involve reducing the level of benefits available under your policy with a corresponding reduction in your premium.
- **Personalized Options Form:** We've also provided you with an illustration of your current key policy benefits that shows how your premium would change if you elect to reduce one of these benefits.
- **Need Assistance:** If you would like to see what your premium would be if you made more than one change to your policy, or you want to consider changing a benefit not illustrated in the Personalized Options Form, **please contact our customer care team at [888-888-8888]**. We will be happy to provide you with this information and answer questions about these options.

We recommend that you review all options available to you, including paying the increased premium and reducing your available benefits, with your family members and financial advisor to determine the approach that is most appropriate to your needs. You may also wish to contact the State Health Insurance Assistance Program (SHIP) located in your state, or the State Department/Bureau of Insurance if you need additional counseling to determine how to proceed. Please go to www.shiptalk.org to find the nearest SHIP to you, or http://naic.org/state_web_map.htm to find your State Department/Bureau of Insurance.

Next Steps – Decision required by [include anniversary date]

[If on claim leave the preceding heading and this section off letter]

NO ACTION is needed if you decide to accept the premium increase. If we do not hear from you about electing a policy change option by **[anniversary date]**, we will assume that you have accepted the new premium rate. Your premium bill will be adjusted to reflect the increased premium amount. If you pay by automatic deduction from a designated account, please be aware that the transfer from that account will be at the new premium amount. If your payment is made via a third-party account or online banking, please make appropriate arrangements, if necessary, prior to **[anniversary date]** to revise the payment amount.

ACTION IS NEEDED BY [ANNIVERSARY DATE] if you elect to reduce benefits to offset the impact of the premium increase:

- Use the enclosed Personalized Options Form to elect one of the illustrated options by checking the applicable box next to the desired change, then sign and return it in the enclosed envelope by **[anniversary date]**. You will receive a premium notice reflecting the increased premium prior to your anniversary date unless you make a change before **[25 days prior to anniversary date]**. However if we receive your change request by

[**anniversary date**] we will make the change and send you a revised premium notice.

- Or, contact our customer care team to discuss policy change options not illustrated in the Personalized Options Form, such as electing a combination of changes to your available benefits. We are here to help Monday through Friday 8:00 AM to 5:00 PM CST at [888-888-8888].
- Please note that if we do not hear from you and you do not pay the increased premium by the premium due date, we will assume you have selected the [Contingent] Non-Forfeiture Option as described in the Personalized Options Form.

Importance of LTC Insurance

The need for care can be one of the most significant challenges a person can face, both personally and financially. We have seen the difference this insurance has made in the lives of our customers and their family members. Although the cost for this insurance is increasing, it provides valuable coverage that may not be available from health insurance or government programs.

For Further Assistance

We are committed to ensuring that long-term care benefits will be available to you when you need them. Our dedicated customer care team at [888-888-8888] is here to help you understand this increase and your options Monday through Friday, 8:00 AM to 5:00 PM CST. You may also visit www.northwesternmutual.com/ltc for more information.

Sincerely,



Kamilah Williams-Kemp
President and Chief Executive Officer
Northwestern Long Term Care
Insurance Company

[Enclosures: Policy Change Options and Personalized Options Form]

Policy Change Options

If you decide that you would like to reduce your available benefits in order to reduce the premium increase, there are several options available to you.

Each option should be viewed in light of your individual insurance needs and financial situation, and you should consult with family members and advisors before making a change. Please be advised that, once you make an election that results in a reduction of your benefits, you may not be able to increase your benefits at a later time, even if you offer to pay the increased premium amount that results from the coming premium increase.

The following options can help offset your premium increase ¹:

- Reduce the **maximum amount the policy will pay** for each month/day of your care (Maximum Daily/Monthly Limit). ²
- Reduce the **minimum length of time your policy will pay benefits**³ once you begin to use benefits (Benefit Period). This will reduce the total amount of benefits payable under your policy (Benefit Account Value).
- Increase the **length of time you'll pay for your care** before the policy begins to pay benefits (Elimination Period or Beginning Date).
- [Reduce the **amount that your Daily/Monthly Limit increases each year** (inflation protection).] *[only include if policy has ABI]*
- **[Drop your current inflation protection.]** *[only include if have inflation protection]*
- **Stop paying policy premiums and keep a reduced policy.** ([Contingent] Non-Forfeiture Option.) Your benefits would be equal to the total amount of premium you have paid since you first bought the policy. [This option is only available within 120 days of the premium increase effective date.] By electing this option you will be significantly reducing your policy benefits so careful consideration should be given. *[only include the second sentence if the policy doesn't have an NFB benefit]*
- **[Drop your Non-Forfeiture benefit]** *[only include if have NFB]*
- **[Drop your Survivorship benefit]** *[only include if have Survivorship]*

Important Information: As you consider reducing your benefits, it's very important to understand the impact the change will have if you need to utilize your coverage in the future. The costs of care are rising and are expected to continue to rise. By reducing benefits, you are reducing the coverage that will be available to pay for future care. Please go to www.northwesternmutual.com/costofcare to view the average cost of care in your state.

¹ Please refer to your policy for definitions of the terms included in these options.

² If your monthly cost of care is less than your selected Maximum Monthly/Daily Limit, then the unused portion can be used to extend the period of time your coverage will last.

³ If your monthly cost of care is less than your selected Maximum Monthly/Daily Limit, then the unused portion can be used to extend the period of time your coverage will last.

Important Information Regarding [Contingent] Non-Forfeiture Option

If you allow your policy to lapse [within 120 days of your policy anniversary date of **[anniversary date]**] we will reduce your policy limit (Benefit Account Value) and convert your policy to a paid-up status with no future payment of premiums required. By exercising this option you are significantly reducing your policy benefits so you should give careful consideration to the terms of this option before selecting it. The following terms apply if you exercise this [Contingent] Non-Forfeiture option:

- No benefits will be paid in excess of your new Benefit Account Value. The new Benefit Account Value will be equal to the total amount of premiums you have paid for the policy, including any waived premiums and premiums paid for any optional additional benefits. Benefits will be paid subject to the [Maximum Daily Limit] / [Maximum Monthly Limit] benefit levels (and other coverage limits) in effect at the time you convert your policy to paid-up status.
- All optional additional benefit riders will automatically terminate.
- [No future inflation adjustments will be made pursuant to your policy's [Automatic Benefit Increase/ Automatic Additional Purchase Benefit] inflation protection option.]
- All other applicable policy provisions, conditions, and limitations will remain in effect.

Personalized Options Form

The chart below provides an illustration of how your premium will be affected if you elect to reduce any of the key benefits included in your policy. You can use this form to elect one of the changes illustrated.

Note: This form cannot be used to elect more than one change. The illustrations are based on only one change taking place effective on your next policy anniversary [include date] and may not be accurate after this date. If you would like to make more than one change, or consider a change not listed among the options provided below, please contact our customer care team at [888-888-8888] Monday through Friday 8:00 AM – 5:00 PM CST.

| Policy Benefit Change | Description | Current Benefit | New Benefit | New Premium | Policy Change Election (check only one) |
|---|---|---|--|-----------------------------------|--|
| [Maximum Daily Limit (MDL)] / [Maximum Monthly Limit (MML)] | <p>Reduce the maximum amount the policy will reimburse for qualifying expenses each day/month you are on claim to an amount with a corresponding premium amount similar to the amount you pay now, before the premium increase has taken effect.</p> <p>Note: You may also opt to reduce the policy [MDL/MML] to other amounts, which would result in a future premium amount that is different than what is shown on this Form but is also less than the amount you would be required to pay after the premium increase takes effect.</p> | <p>[\$00,000.00]</p> <p>Please note: in certain instances the ability to reduce your MDL/MML may not be available due to state required minimum benefit limits.</p> | <p>[\$00,000.00]</p> <p>[Already at State Minimum]</p> | <p>[\$00,000.00]</p> <p>[N/A]</p> | <input type="checkbox"/> |

| | | | | | |
|------------------------|---|---|--|--------------|--------------------------|
| [Benefit Period] | <p>[Reduce the minimum length of time your policy will pay benefits.] (Benefit Period).</p> <p>Note: This will reduce the total amount of benefits payable under your policy (Benefit Account Value).</p> | [Lifetime / Unlimited Benefit] | <p>[6 year Benefit Period.]</p> <p>[\$MML/\$MDL] x [72 months or 6*365 days] = Benefit Account Value (BAV) of \$00,000.00]</p> | [\$0,000.00] | <input type="checkbox"/> |
| [Benefit Period] | <p>[Reduce the minimum length of time your policy will pay benefits.] (Benefit Period)</p> <p>Note: This will reduce the total amount of benefits payable under your policy (Benefit Account Value).</p> | [3 year Benefit Period] | [Already at minimum available Benefit Period] | [N/A] | |
| [Inflation Protection] | <p>[Reduce the ABI increases to your [MML or MDL] that help benefits keep pace with the actual cost of care over time. The [MML or MDL] and Benefit Account Value will remain at their amounts as of the effective date of the policy change.] [Decline AAPB] [You will no longer receive inflation protection increases unless you qualify for and receive Long Term Care benefits.]</p> | <p>[Automatic Benefit Increase (ABI) [5][x]%]</p> <p>[Automatic Additional Purchase Benefit (AAPB)]</p> | <p>[ABI 4%]</p> <p>[ABI 3%]</p> <p>[AAPB at your current benefit amount] [\$00,000.00]</p> <p>[AAPB with no further increases] [\$00,000.00]</p> | [\$0,000.00] | <input type="checkbox"/> |
| [Benefit Period] | <p>[Reduce the minimum length of time your policy will pay benefits.]</p> <p>Note: This will reduce the total amount of benefits</p> | [6 year Benefit] | <p>[3 year Benefit Period.]</p> <p>[\$MML/\$MDL] x [36 months or 3*365 days]</p> | | <input type="checkbox"/> |

| | | | | | |
|------------------------------------|--|--|---|-----|--------------------------|
| | payable under your policy (Benefit Account Value). | | = Benefit Account Value (BAV) of \$00,000.00] | | |
| [Contingent] Non-Forfeiture Option | Stop paying premiums [within 120 days of due date] and accept a significantly reduced policy benefit equal to the total amount of premium you have paid since the inception of the policy. Careful consideration should be made when deciding this option. | Benefit Account Value of [\$00,000.00] | Reduced Benefit Account Value [\$00,000.00] | N/A | <input type="checkbox"/> |

CHANGE PROVISIONS

This form must be received in our office by **[anniversary date]** and the changes will be effective as of your policy anniversary date of **[anniversary date]**. If we do not hear from you about electing a policy change option by that date, we will assume that you have accepted the new premium rate unless the [Contingent] Non-Forfeiture option takes effect. Other than the change elected in this form, the benefits available under the policy will remain the same.

Once we've processed the change you elect, if any, we will send you a confirmation letter along with a new policy specification pages to keep with your policy contract.

[LONG TERM CARE PARTNERSHIP POLICY CHANGE DISCLOSURE]

Inflation protection is a required feature of a qualifying Partnership policy. Please note that removal or reduction of the Automatic Benefit Increase inflation protection option or removal of the Automatic Additional Purchase Benefit inflation protection option may result in the loss of your policy's qualifying Partnership status, including the asset disregard feature provided by a Partnership policy. You may contact NLTC at [888-888-8888] if you have questions about how to retain your policy's qualifying Partnership status.]

Name of Policyowner: [Policyowner Name] LTC[xxxxxxxx]

Signature of Policyowner: _____ Date: _____

Pricing Assumption Comparison

TT.LTC.(1010) Lifetime Pay

| Assumption | TT.LTC.(1010) Lifetime Pay Original Pricing | TT.LTC.(1010) Lifetime Pay Repricing | Estimated Effect on Premiums |
|---|---|--|------------------------------------|
| Morbidity | 2009 Milliman Guidelines | 2014 Milliman Guidelines | 8% |
| Mortality | 1994 Group Annuitant Mortality (GAM) | Internal experience based on study of LTC and NM life purchasers (over half of LTC insureds). Includes mortality selection and improvement. | 12% |
| Lapse | 3.0%→0.5% by yr 16 | 3.4%→0.5% by yr 9 | 1% |
| Expenses | Acquisition: 18% FYP plus Ages 18-64: \$500 Ages 65-69: \$700 Ages 70+: \$1,000 Maintenance: \$50/policy with 3% inflation Claims Admin: 10% paid claims Premium Tax: 2.2% all years | Acquisition: 18% FYP plus Ages 18-64: \$500 Ages 65-69: \$700 Ages 70+: \$1,000 Maintenance: \$105/policy with 3% inflation Claims Admin: Base: 11% paid claims ABI: 4% paid claims AAPB: 7% paid claims Premium Tax: 1.9% all years | 1% |
| Investment Return | 6.0% | 4.5% | 22% |
| Capital Requirements and Other Items | C ₁ – 38.4% of earned premium C ₂ – 6.8% of reserves | C ₁ – 64.1% of earned premium C ₂ – 15.2% of reserves | 1% |
| Total | | | 45% |

9% Morbidity Margin

10%

Total with Margin

55%

Pricing Assumption Comparison

TT.LTC.(1010) Limited Pay

| Assumption | TT.LTC.(1010) Limited Pay Original Pricing | TT.LTC.(1010) Limited Pay Repricing | Estimated Effect on Premiums |
|---|---|--|------------------------------------|
| Morbidity | 2009 Milliman Guidelines | 2014 Milliman Guidelines | 8% |
| Mortality | 1994 Group Annuitant Mortality (GAM) | Internal experience based on study of LTC and NM life purchasers (over half of LTC insureds). Includes mortality selection and improvement. | 34% |
| Lapse | 2.5%→0% by yr 16 | No Change | N/A |
| Expenses | Acquisition: 18% FYP plus Ages 18-64: \$500 Ages 65-69: \$700 Ages 70+: \$1,000 Maintenance: \$50/policy with 3% inflation Claims Admin: 10% paid claims Premium Tax: 2.2% all years | Acquisition: 18% FYP plus Ages 18-64: \$500 Ages 65-69: \$700 Ages 70+: \$1,000 Maintenance: \$105/policy with 3% inflation Claims Admin: Base: 11% paid claims ABI: 4% paid claims AAPB: 7% paid claims Premium Tax: 1.9% all years | -1% |
| Investment Return | 6.0% | 4.5% | 81% |
| Capital Requirements and Other Items | C ₁ – 38.4% of earned premium C ₂ – 6.8% of reserves | C ₁ – 64.1% of earned premium C ₂ – 15.2% of reserves | -9% |
| Total | | | 113% |

9% Morbidity Margin

17%

Total with Margin

130%

Northwestern Long Term Care Insurance Co.
NAIC # 860-69000
FEIN # 36-2258318

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April 10, 2017

Janet Houser
Virginia Bureau of Insurance

Re: Rates for TT.LTC.(1010)

Dear Ms. Houser:

This is in response to your objections sent March 21, 2017.

1. Please provide assurances that the assumptions used in the projections are no more conservative (i.e. do not produce a higher loss ratio) than used in the company's prior year's asset adequacy testing. Please also confirm if margins are added to the assumptions outlined in section 10 (Actuarial Assumptions – Updated) within the projections. If margins are included, please describe them.

Response: Not considering the necessary differences in the economic assumptions and other requirements unique to AAT exercises, the assumptions supporting this filing are consistent with the baseline assumptions used in the Company's most recent asset adequacy testing exercises and are not more conservative than the asset adequacy testing assumptions.

In addition, we can confirm that no margins were added to the assumptions outlined in the Actuarial Memorandums.

2. Please also provide brief commentary as to the relationship of the “repriced” morbidity, lapse and mortality assumptions vs. those submitted in the recent Virginia rate filing (SERFF #: NWST-130675505) for form UU.LTC(1014)REV.

Response: The morbidity, lapse and mortality assumptions underlying this rate increase filing are consistent with the assumptions underlying our most recent Virginia new issue rate filing (SERFF #: NWST-130675505) for form UU.LTC(1014)REV.

3. The actuarial memorandum and rate schedule indicate that the rates vary by premium payment period (10-pay; to age 65; lifetime) and class (standard; class 1; class 2). No Expected or actual distributions of sales by this breakdown were noted. Please provide this additional information.

Response:

| <u>Premium-Paying Period</u> | <u>Expected Distribution</u> | <u>Actual Distribution</u> |
|------------------------------|----------------------------------|--------------------------------|
| Lifetime Pay | 98% | 89% |
| 10-Pay | 1% | 9% |
| Paid-up at Age 65 | 1% | 2% |

| <u>Underwriting Class</u> | <u>Expected Distribution</u> | <u>Actual Distribution</u> |
|---------------------------|----------------------------------|--------------------------------|
| Standard | * | 93% |
| Class 1 | * | 6% |
| Class 2 | * | 1% |

* Although all model office pricing runs assumed 100% Standard, the actual distribution of something slightly in excess of 5% is in line with expectations for classified policies.

4. Please confirm the treatment of the waiver of premium benefit within the loss ratio exhibit.

Response: Waived premiums are included in earned premium and incurred claims for historical experience, but are only are included in incurred claims projections. Although this slightly overstates future and lifetime loss ratios, this did not impact our rate increase request, since we did not request the full amount we could actuarially justify.

5. It was indicated in Exhibit 1 that no anticipated lifetime loss ratio was filed with this form. The memorandum also indicates in section 11 that “The initial premium rate schedule was based on the originally filed pricing assumptions which included margin for moderately adverse experience”. Per 14VAC5-200-153 B 3.f, the actuarial memorandum should include “a demonstration that actual and projected costs exceed costs anticipated at the time of initial pricing under moderately adverse experience and that the composite margin is projected to be exhausted”.

- a. Please provide an analysis that shows the impact of the assumption revisions on the projected costs anticipated at the time of pricing. If available, please show the impact separately for morbidity and total terminations, and compare these to the margins in each set of assumptions.

Response: The attached confidential assumption comparison exhibits show the impact of the revised assumptions on the original premiums as of the time of the revised rate filing. Due to the differences between lifetime pay and limited pay business, we have provided separate exhibits for lifetime pay and limited pay. Note that these comparisons are relative to the premium level set at original pricing, which included margin for moderately adverse experience, whereas the revised assumptions include morbidity margin as a separate item.

As noted in the actuarial memorandum, we are requesting a 27% rate increase for this policy form, whereas we would need an average rate increase of 55% for lifetime pay and 130% for limited pay for premium rates to be sufficient under moderately adverse conditions.

Also, please note that we had a typo on the “Exhibit 1 Loss Ratios (VA)”. It incorrectly stated that the pricing interest rate was 4.5%, when it should have been 6%. No values on the exhibit changed as a result of this correction. A revised version of that exhibit is attached.

b. Please identify the composite margin that was included in the initial pricing.

Response: The composite margin included in the initial pricing for the TT.LTC.(1010) policy form was 25% of the then-current morbidity assumptions.

While there was no margin for moderately adverse experience included in these revised rates, we believe the margin of 25% of morbidity included in the original TT.LTC.(1010) pricing is more than that necessary to certify that inforce premiums are sufficient under moderately adverse experience. If we ever seek a rate increase allowing us to make a non-qualified actuarial certification, we would expect to include a lower margin for MAE.

c. Please clearly identify how the analyses included in the filing supports this requirement, or include additional supporting exhibits if needed.

Response: As described in the Experience Exhibits document, our own morbidity experience is not credible and the experience we do have is in the early durations and younger attained age which does not indicate where our ultimate long-term morbidity experience might end up. For morbidity, it is not our own adverse morbidity experience that is causing us to file for a rate increase, it is the updated morbidity assumptions provided by our consultant, Milliman, that shows worse long-term morbidity that originally assumed. However, as described in the Experience Exhibits document our actual total cash claims experience to-date is in-line with the 2014 Milliman assumptions at 105% overall A/E and thus does not call into question our reliance on those guidelines as a reasonable long-term morbidity assumption and attributing all credibility to those assumptions. Actual to current and original expected experience demonstrations are included in section 2 of the Experience Exhibits document.

For terminations (deaths and lapses), section 3 of the Experience Exhibits document provides actual to original expected terminations exhibits which shows the significant deterioration in termination experience from original pricing. The TT10 series actual to original expected ratio equals 91% versus an actual to current expected ratio of 99%.

In addition, the loss ratios provided in Exhibit 1 of the initial filing show the lifetime loss ratio for this policy form is above 100% (TT10 at 106.5%), clearly demonstrating that any margin included in the original pricing assumptions has now been exhausted.

6. The Distribution of Business by Plan indicates that 60% of the inforce policies have elected the “Automatic Additional Purchase Benefit” Indexing option. What portion of these policies have purchased additional coverage? What behavior is assumed in the projections (both with and without rate increase)?

Response: 95% of those who have the Automatic Additional Purchase Benefit (AAPB) have purchased at least some amount of additional coverage since issue. The projections assume 90% of those with AAPB will purchase additional coverage each year while they are eligible. This assumption is in-line with actual experience to-date.

7. The actuarial memorandum indicates a contingent benefit upon lapse will be offered to all policyholders if a rate increase is approved, as well as other various benefit reduction options. Please provide the assumptions with respect to the election of these various option in the “with rate increase” projections of the Exhibits, if any.

Response: Since this is the first time that our company has ever increased LTC premiums we have no history to base our expectations on and therefore no benefit reduction impacts have been reflected in the projected experience. However, we have discussed this topic with consultants and have heard others in the industry discuss this topic at industry forums and conferences. Based on these discussions, we developed the very high level estimates listed below. Also, since the policyowner has the option to take a benefit reduction that may only offset a portion of the premium increase there is no clear distinction between “accept the full increase” and “choose a lower benefit”.

| | |
|---------------------------------|--------|
| Accept the full increase | 80-95% |
| Choose a lower benefit | 5-15% |
| Choose a non-forfeiture benefit | <5% |

The distribution of the policyowners who choose a lower benefit will depend highly on each policyowner’s individual situation. Given our lack of experience with LTC premium increases we have no official expectations with respect to this distribution. In addition, since we are offering policyowners the ability to choose virtually any combination of benefit reduction options to offset a premium increase it would be very difficult to bucket these choices into separate reduction types.

Only about 15% of our inforce policyowners have a level premium inflation benefit and therefore there is a limit to the portion of our inforce that would even be able to elect a reduction in the inflation benefit. Also, about two-thirds of our inforce has a lifetime benefit period so we suspect that reducing the benefit period from lifetime to something less might be one of the more popular options.

8. The actuarial memorandum, section 2 a, indicates a comparison is provided to rates for new business in the file “Premium Rate Compare TT2010 after increase to UU2016(0916) (VA)”. Virginia rate filing (SERFF #: NWST-130675505) for form UU.LTC(1014)REV was approved 11/4/16, and would appear to be the most recent new business rates available in Virginia, but reflects a different form number. Please explain which rates are used in this comparison, and indicate if comparison to the recent Virginia filing would change the results of the comparison.

Response: We mistakenly referenced the incorrect form number. The most recent new business rates available in Virginia is the UU.LTC(1014)REV that was approved on 11/4/2016. Some states required us to change the form number for our most recent new business filing. We have provided a revised Premium Rate Comparison to include the correct form number. However, this does not change the results of the comparison previously submitted.



9. The Premium Rate Comparison is for Lifetime rates only. As a different rate increase is being requested for Limited Pay period rates than Lifetime rates, please also include a comparison of the proposed rates for the Limited Pay period rates.

Response: We stopped offering limited payment periods after the TT2010 series. We have not provided a comparison to new business rates for limited paying policies because we don't currently offer comparable policies under the most recent new business series.

10. Please clarify which class of rates are included in the Premium Rate Comparison. Are these Standard rates?

Response: Standard rates are included in the Premium Rate Comparison.

11. The Premium Rate Comparison cover page includes the following statement: "The TT.LTC.(1010) revised premium rates are lower than the UU.LTC.(0916) new business premium rates for all policy types and issue ages." Please confirm if "policy types" includes the variations in premium payment period and underwriting class.

Response: In the statement above, "policy types" includes variations such as underwriting class, benefit periods, and elimination periods. It does not include variations in premium payment period. As mentioned in our response to objection 9, we no longer offer limited payment periods and therefore cannot perform a premium comparison to our new business rates.

12. The Company indicates that its experience is not credible for use in determining projection morbidity assumptions. A comparison of historical experience was provided for claim incidence, claim termination and claim utilization assumptions. As a result of these studies, the following conclusion was noted: "our overall morbidity experience to-date, although limited and not credible, does not call into question the validity of the 2014 Milliman Guidelines for this block of business." The study of actual to Milliman (expected) showed the following ratios:

- a. Incidence – overall A/E of 90%, but the slope of the table did not appear to be a good fit, with A/E increasing by policy duration for the issue ages with most claims exposure from the low 50%'s to near 120%. The issue age block with most policies has A/E of 70%;
- b. Resolutions – overall A/E of 77%, reflecting 965 actual resolutions, fairly consistent across all claim months;
- c. Utilization – overall A/E of 85%

These ratios deviate sufficiently from the mean to lead to an expectation of additional adjustments to the indicated Milliman morbidity assumptions, even if only to reflect partial credibility. Please provide any additional studies or sensitivity tests that supported the final morbidity assumptions as a best estimate that reflected reasonable fit with historical experience.

Response: Our morbidity experience in total is not credible, and when broken down by individual components (i.e., incidence, resolutions, and utilization) and further broken down by subsets such as issue age, duration, etc., the experience is far less credible and therefore should not be relied on to derive any morbidity assumptions. Considering that

there are typically only a few dozen claims after the experience is broken down into finer subsets of characteristics, it is not surprising that there is a lot volatility in the experience studies to-date and actual experience is not necessarily a good “fit” to the component morbidity assumptions.

A discussion of credibility was included in section 1 of the Experience Exhibits document and partial credibility statistics for incidence were provided in section 2. As demonstrated, we have very limited credibility at the younger issue ages and earlier durations and virtually none at the older attained ages (80+) where we expect the bulk of our LTC claims to occur. For LTC, credibility on incidence emerges first and the credibility of claim resolution and utilization comes later. Because we do not consider our own incidence experience credible we consider our resolution and utilization experience even less credible.

Our goal was not to “fit” our morbidity assumptions to our non-credible experience, but to validate at a high level that our overall morbidity assumption is reasonably in-line with our emerging experience, which it is at a 105% overall A/T for total cash claims. Over, time as our own experience emerges we intend to reflect that experience in our assumptions, to the extent credible, but we are just not there yet.

13. Please provide a breakdown of the historical incurred claims by calendar year to reflect the portion already paid vs. the portion still estimated (PVANYD reserve). Please indicate the margin, if any, included in the estimated amounts.

TT.LTC.(1010)

| <u>Calendar Year</u> | <u>Incurred Claims</u> | <u>Paid Claims</u> | <u>Change in Reserve</u> | <u>Reserve at Year-End</u> |
|----------------------|------------------------|--------------------|--------------------------|----------------------------|
| 2011 | 977,205 | 3,424 | 973,781 | 973,781 |
| 2012 | 2,852,332 | 122,814 | 2,729,519 | 3,703,300 |
| 2013 | 3,005,259 | 369,186 | 2,636,072 | 6,339,372 |
| 2014 | 5,961,615 | 749,933 | 5,211,682 | 11,551,055 |
| 2015 | 6,420,326 | 1,256,475 | 5,163,851 | 16,714,905 |
| Total | 19,216,737 | 2,501,832 | 16,714,905 | |

Implicit margins are included in the claim reserve calculations to the extent that 100% utilization is assumed. In addition, factors for pending, incurred but not reported and terminated but not reported claims are set to cover roughly 85% of study observations. In aggregate, margins on reserves are in the mid-single digits.

14. The Nationwide 2016 projected premium increased slightly from the Actual 2015 levels. Is this due to the Automatic Additional Purchase Benefit? The Nationwide 2016 projected premium increased materially from the historical levels. Please explain why the projected loss ratio in 2016 is a reasonable starting point for the projection.

Response: Yes, the increases in the projected premiums are due to the Automatic Additional Purchase Benefit. The projection shows noticeable decreases in premium in 2021-2023 when the 10-Pay policies reach the end of their premium-paying period. At



the time the TT policy form was introduced, we offered an exchange program that allowed owners of previous policy series to exchange to the TT series. As a result, some TT policies are in later durations than you would expect. The pattern of incurred claims therefore increases more quickly than if there were no exchanged policies included. The projection, beginning in 2016, starts with the actual policies inforce at year-end 2015 including those that exchanged and are in later durations, and reflects our expected experience on them going forward. Early duration experience may reflect some more favorable underwriting selection than anticipated, but we have no reason to believe that benefit will continue in later durations based on the industry data available to us.

15. Please provide additional description of the projected mortality rates. How do the ultimate rates and improvement scale compare to a published industry table?

Response: Our current base mortality assumption is derived from our underlying company specific life insurance mortality tables based primarily on a study of LTC policyowners that also purchased life insurance. Mortality improvement is also assumed. A further discussion regarding our current mortality assumption can be found in section 3 of the Experience Exhibit document included with initial filing. A sample of ultimate mortality rates for specific attained ages has been included below and compared to the 1994 Group Annuitant Mortality (GAM) table. This comparison does not reflect selection or mortality improvement.

| Attained Age | NLTC | | | 1994 GAM | | | Ratio of NLTC to 1994 GAM | |
|--------------|--------|--------|--|----------|--------|--|---------------------------|--------|
| | Male | Female | | Male | Female | | Male | Female |
| 40 | 0.12% | 0.07% | | 0.11% | 0.07% | | 116% | 102% |
| 50 | 0.25% | 0.22% | | 0.26% | 0.14% | | 98% | 156% |
| 60 | 0.48% | 0.43% | | 0.80% | 0.44% | | 60% | 97% |
| 70 | 1.49% | 1.12% | | 2.37% | 1.37% | | 63% | 82% |
| 80 | 4.65% | 3.55% | | 6.20% | 3.94% | | 75% | 90% |
| 90 | 14.46% | 10.78% | | 15.29% | 11.63% | | 95% | 93% |
| 100 | 28.42% | 23.26% | | 31.72% | 27.64% | | 90% | 84% |

Our mortality improvement assumption was based on 2012 Individual Annuity Mortality (IAM) projection scale G assumptions and lowered for future expectations. Mortality improvement grades off from attained age 80 to 0% by attained age 105. A sample of improvement factors for specific attained ages has been included below and compared to the 2012 IAM projection scale G assumptions.

| Attained Age | NLTC | | | 2012 IAM Proj G | | | Difference | |
|--------------|-------|--------|--|-----------------|--------|--|------------|--------|
| | Male | Female | | Male | Female | | Male | Female |
| 40 | 0.31% | 0.31% | | 1.00% | 1.00% | | -0.69% | -0.69% |
| 50 | 0.31% | 0.31% | | 1.00% | 1.00% | | -0.69% | -0.69% |
| 60 | 0.81% | 0.61% | | 1.50% | 1.30% | | -0.69% | -0.69% |
| 70 | 0.81% | 0.61% | | 1.50% | 1.30% | | -0.69% | -0.69% |
| 80 | 0.81% | 0.61% | | 1.50% | 1.30% | | -0.69% | -0.69% |
| 90 | 0.48% | 0.36% | | 0.70% | 0.60% | | -0.22% | -0.24% |
| 100 | 0.16% | 0.12% | | 0.20% | 0.20% | | -0.04% | -0.08% |

16. Per 14VAC5-200-153 B, the insurer may request a rate schedule increase less than what is required if the actuarial memorandum discloses the premium rate schedule increase that would be necessary to make the certification in subdivision 2a of the subsection. The actuarial memorandum includes such as disclosure and identifies the rate increase that would be required as 55% for Lifetime payment periods and 130% for Limited payment periods. Please indicate the criteria used to determine these increase, including the margins assumed in these calculations.

Response: In determining the full increase needed to certify to rate stability, our goal was not to determine the maximum possible premium increase to meet a specific loss ratio target, but rather to determine the rate increase necessary to meet the company's current target rate of return. The process was similar to a that of a new issue pricing exercise. Changes in all relevant pricing assumptions were considered, including morbidity, mortality, lapses, expenses, investment returns and other items like changes in capital requirements. Morbidity margin of 9% was added to enhance rate stability.

The full increase needed based on the above criteria led to an overall average rate increase of 68%. The rate increase was further varied by issue age, with younger issue ages receiving relatively larger increases and older ages receiving relatively lower increases, in addition to varying by benefit period and premium payment period (as our requested rate increase is).

17. Rate increases were requested on a basis that varies by policy benefit period and premium payment period. Please provide analysis that specifically supports the determination of the various proposed increases.

Response: We believe that varying the request by benefit period is justified based on the relative change in the originally assumed morbidity to the updated morbidity assumptions provided by our consultant, Milliman. Revised Actuarial Memorandums have been submitted which include a new Appendix III, which show the ratio of the current claims costs (from Appendix I) to the original claim costs (Appendix II). This demonstrates that the relative increase in claim costs, at the attained ages where the bulk of claims are expected to occur, is consistently higher for policies with the lifetime benefit than policies with the 6 year benefit, and higher for the 6 year benefit than the 3 year benefit.



Northwestern Long Term Care Insurance Company™

A Northwestern Mutual Company

In addition, as described in the Experience Exhibits document, our own morbidity experience is not credible and heavily weighted towards younger attained ages and early policy durations, and thus not appropriate to be relied upon in setting morbidity assumptions. Therefore, the Milliman assumptions described above and in the Actuarial Memorandums are appropriate to be relied upon for morbidity assumptions.

Limited payment policies have a relatively higher increase primarily due to the far fewer future premiums upon which a future premium increase can be assessed.

Based on the above, your review and approval is greatly appreciated. If you have any questions, you may contact me at 414-665-1859 or email me at annettehuttl@northwesternmutual.com. For all email correspondence, please copy Laura Olski at lauraolski@northwesternmutual.com.

Thank you,

Annette Huttl
Product Compliance Consultant
Actuarial Department

Northwestern Long Term Care Insurance Co.
NAIC # 860-69000
FEIN # 36-2258318

Annette HuttI
Product Compliance Consultant
Phone: (414) 665-1859
Fax: (414) 625-7598
Email: annettehuttI@northwesternmutual.com

September 21, 2017

Janet Houser
Virginia Bureau of Insurance

Re: Rates for TT.LTC.(1010)

Dear Ms. Houser:

This is in response to your objections sent March 21, 2017.

- 1) **A)** In the Actuarial Memorandum, the initial expected loss ratio was not mentioned. Please include the initial expected loss ratio in the Actuarial Memorandum.

Response: Since this policy form was filed after the rate stability regulations were adopted in Virginia, the originally anticipated loss ratio at issue was not included in the original filing. However, the originally anticipated loss ratio was 74.2% and we have revised the actuarial memorandum to include a new section (11.D) that states this, as well as the noting the original morbidity margin of 25% and the original discount rate of 6%.

- B)** In the file, "VA Response Letter Dated 04102017 TT RATES.pdf," in your response to 5.b., you state that a 25% margin for claims was included in the original pricing, although you state there was no margin for moderately adverse experience ("MAE"). Please explain the difference. Please include this margin in the Actuarial Memorandum as well. For the remainder of this request, I will refer to the 25% as the MAE.

Response: There is no margin included in the assumptions underlying this inforce rate increase filing. In addition, as described earlier, we are not asking for the entire increase that could be actuarially justified at this time and therefore if our rate increase is approved as requested it would not reestablish pricing margins, but would allow the company to enhance its claims paying ability.

This was described in the cover letter included in this filing and discussed in the response to the previous objection #16. We also had several phone calls with the Virginia Bureau of Insurance prior to the filing in the 4th quarter of 2016 making it clear that was our intention and there was no objection. Please let me know if you feel another phone call on this issue would be beneficial.

If we were to request the full rate increase needed to certify at some point in the future, it would be our intention to include a margin for adverse experience at that time. Also, as noted in our response to the previous objection #16, the rate increase that would be required to certify per regulations is 55% for Lifetime payment periods and 130% for Limited payment periods, which were developed based on a morbidity margin of 9%.

C) The amendment to the Actuarial Memorandum should include with the total Expected Loss Ratio, calculated using A) and B).

Response: As noted in 1.A we have added a new section to the memorandum (11.D) which describes the original loss ratio. In addition, we have also added a section 10.G to state the current anticipated loss ratio both with and without the requested rate increase and made it clear that those loss ratios do not include a margin for adverse experience.

2) In the Actuarial Memorandum and in the supporting Loss Ratio calculation, you refer to the 58%/85% Loss Ratio Test to justify the amount of the requested rate increase. Please use the Expected Loss Ratio, including the MAE, that was intended for the policy form in this filing, rather than the 58% as in the title of this Loss Ratio Test. Also, if the Expected Loss Ratio is greater than 85%, please use the Expected Loss Ratio, rather than the 85%, in the Loss Ratio Test.

Please submit an amended Actuarial Memorandum and a copy of the Loss Ratio Test. The Loss Ratio test should be submitted as an unprotected Excel file with all formulas visible."

Response: The 58%/85% loss ratio test has been changed to a 74.2%/85% loss ratio test, to reflect the originally anticipated loss ratio of 74.2% for the TT policy form. The calculation is included in the attached "TT Exhibit 1 Loss Ratios (VA) 20170831.xlsx", for both nationwide and Virginia-only. A revised Actuarial Memorandum also reflects this change.

Based on the above, your review and approval is greatly appreciated. If you have any questions, you may contact me at 414-665-1859 or email me at annettehutti@northwesternmutual.com. For all email correspondence, please copy Laura Olski at lauraolski@northwesternmutual.com.

Thank you,



Annette Huttli
Product Compliance Consultant
Actuarial Department

State: Virginia

Filing Company:

Northwestern Long Term Care Insurance Company

TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified

Product Name: 2016 LTC Risk Mitigation

Project Name/Number: 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

| Creation Date | Schedule Item Status | Schedule | Schedule Item Name | Replacement Creation Date | Attached Document(s) |
|---------------|-------------------------|---------------------|--------------------------|---------------------------|--|
| 09/21/2017 | Withdrawn 12/07/2017 | Supporting Document | L&H Actuarial Memorandum | 11/01/2017 | Actuarial Certification TT (VA).pdf PREMCALC TT (VA).pdf Experience Exhibits (VA).pdf VA Exhibit 2 Inforce Policies and Premium (TT).pdf Inforce Filing Act Memo Cover Letter (VA) TT.pdf Premium Rate Compare TT2010 after increase to UU2016(1014)Rev (VA).pdf ACTMEMO Update TT (VA) 20170831.pdf TT Exhibit 1 Loss Ratios (VA) 20170831.xlsx (Superceded) |
| 04/10/2017 | Withdrawn 10/31/2017 | Supporting Document | L&H Actuarial Memorandum | 09/21/2017 | Actuarial Certification TT (VA).pdf PREMCALC TT (VA).pdf Experience Exhibits (VA).pdf VA Exhibit 2 Inforce Policies and Premium (TT).pdf Inforce Filing Act Memo Cover Letter (VA) TT.pdf TT Exhibit 1 Loss Ratios (VA) rev 040717.xlsx (Superceded) Premium Rate Compare TT2010 after increase to UU2016(1014)Rev (VA).pdf ACTMEMO Update TT (VA) REV.pdf (Superceded) |

State: Virginia **Filing Company:** Northwestern Long Term Care Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2016 LTC Risk Mitigation
Project Name/Number: 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

| Creation Date | Schedule Item Status | Schedule | Schedule Item Name | Replacement Creation Date | Attached Document(s) |
|---------------|-------------------------|------------------------|--|------------------------------|---|
| 02/22/2017 | Withdrawn 07/05/2017 | Supporting Document | L&H Actuarial Memorandum | 04/10/2017 | ACTMEMO Update TT (VA).pdf (Superceded) Actuarial Certification TT (VA).pdf TT Exhibit 1 Loss Ratios (VA).xlsx (Superceded) PREMCALC TT (VA).pdf Premium Rate Compare TT2010 after increase to UU2016(0916) (VA).pdf (Superceded) Experience Exhibits (VA).pdf VA Exhibit 2 Inforce Policies and Premium (TT).pdf Inforce Filing Act Memo Cover Letter (VA) TT.pdf |
| 02/22/2017 | Withdrawn 10/31/2017 | Supporting Document | Long Term Care Insurance Rate Request Summary | 10/19/2017 | VA Rate Request Summary Part 1- TT.pdf (Superceded) Summary Part 1-TT.pdf |

| | | | |
|-----------------------------|---|------------------------|---|
| State: | Virginia | Filing Company: | Northwestern Long Term Care Insurance Company |
| TOI/Sub-TOI: | LTC03I Individual Long Term Care/LTC03I.001 Qualified | | |
| Product Name: | 2016 LTC Risk Mitigation | | |
| Project Name/Number: | 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation | | |

Attachment TT Exhibit 1 Loss Ratios (VA) 20170831.xlsx is not a PDF document and cannot be reproduced here.

Attachment TT Exhibit 1 Loss Ratios (VA) rev 040717.xlsx is not a PDF document and cannot be reproduced here.

Attachment TT Exhibit 1 Loss Ratios (VA).xlsx is not a PDF document and cannot be reproduced here.

NORTHWESTERN LONG TERM CARE INSURANCE COMPANY

ACTUARIAL MEMORANDUM

Product Name
QuietCare TT

Policy Form Number
TT.LTC.(1010)

Issue Date Range*
October 2010 – March 2013
(*see exhibit 2 for state's range)

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1. Scope & Purpose

This memorandum consists of materials which support the development of new premium rates for the policy series form listed on page 1. The purpose of this memorandum is to demonstrate that the requirements of this State in regards to an inforce rate increase request have been met. This rate filing is not intended to be used for any other purpose.

2. Requested Rate Increase

The company is requesting an average rate increase of 27% with the rate increase varying by benefit period and premium paying period. The requested rate increase for lifetime premium paying policies with 3 year benefit period is 10%, 6 year benefit period is 25% and lifetime benefit period is 30%. The requested premium rate schedule increase for lifetime premium paying policies is not considered sufficient to cover the adverse impact of the changes to the assumptions in this filing. If the average rate schedule increase of 55% were requested and implemented and the underlying assumptions with additional margin for moderately adverse conditions are realized no increase beyond 55% would be anticipated. Rates are not being increased for issue age 75+ policies with 3 year benefit period to ensure that inforce rates do not exceed new business rates. The requested rate increase for limited pay premium policies with 3 year benefit period is 25%, 6 year benefit period is 27% and lifetime benefit period is 29%. The requested premium rate schedule increase for limited pay premium policies is not considered sufficient to cover the adverse impact of the changes to the assumptions in this filing. If the average rate schedule increase of 130% were requested and implemented and the underlying assumptions with additional margin for moderately adverse conditions are realized no increase beyond 130% would be anticipated. The rate increases adhere to the following restrictions:

- a. We ensure that the proposed rate increase does not result in premium rates that exceed the rates for new business. This is demonstrated in the attached premium rate comparison.
- b. We ensure that the resulting overall increase in rates satisfies 14VAC5-200-153 C2, ensuring no less than an 85% loss ratio on the rate increase portion, while applying 58% to the current rate schedule. This is demonstrated in Exhibit 1.
- c. The lifetime loss ratio after the proposed rate increase is greater than or equal to the lifetime loss ratio targeted in the original filing from this form.

New proposed rate tables for this policy form are included with this filing. The contingent non-forfeiture paid up benefit equal to the sum of premiums paid is being offered to all policyowners impacted by the rate increase whether or not their increase is above the substantial increase triggers.

The number of policyowners and amount of inforce premium, as of December 31, 2015, for your state and nationwide, are displayed in Exhibit 2. The exhibit also shows the average annual premium before and after the proposed rate increase.

3. Reason for Rate Increase Request

A rate increase is necessary at this time due to significantly higher anticipated future and lifetime loss ratios. The higher loss ratios are mainly the result of longer claim continuance with a greater effect on longer benefit periods, combined with lower lapse and mortality rates.

Northwestern Long Term Care Insurance Company (NLTC) has been evaluating this block and updating assumptions based on our experience as well as the LTCi industry experience. For the form specified above, the projected lifetime loss ratio based on the assumptions

outlined in this memo is worse than original pricing. The combined effect of changing the underlying claim costs and updating the mortality rates and persistency assumptions resulted in the need for a rate increase. The current premium levels are inadequate and, therefore, NLTC is requesting a rate increase in order to maintain the viability and financial stability of the policy form.

Even though we could justify a higher rate increase, at this time we have decided to request 27% taking into consideration the impact on our policyowners. If experience does not improve, we may need to request future rate increases on this policy form.

4. Rate Increase History

We have not requested any previous rate increases on this policy form, either in your state or on a nationwide basis.

5. Benefit Descriptions

This policy provides comprehensive long term care coverage, and reimburses eligible expenses of the insured up to the monthly limits of the policy. The product is priced to have level premiums. All premiums are guaranteed renewable. If the policy becomes paid-up, it becomes non-cancellable. The product is available at issue ages 18-79. Premiums are on a sex neutral basis.

The insured chooses a monthly limit, benefit period, elimination period, and premium-paying period. The plan reimburses eligible expenses up to the monthly limits once the elimination period is satisfied. The plan continues to reimburse expenses until eligible expenses are no longer incurred or benefits are exhausted.

Care can be provided by licensed health care practitioners in licensed nursing homes, alternate living facilities, the home, and adult day care agencies. Respite care and Hospice care are also covered.

The premium paying period options include Lifetime Pay, 10 Pay, and To Age 65. The Lifetime Pay premiums are paid for life, the 10 Pay premiums are paid for ten years after issue, and the To Age 65 premiums are paid until the policy anniversary nearest the insured's 65th birthday. The Lifetime Pay and 10 Pay premium paying period options are offered at issue ages 18-79; while the To Age 65 premium paying period option is only offered at issue ages 18-54.

Two indexing options are available. The first option, called the Automatic Benefit Increase option, is a level premium product with the monthly limit and the Benefit Account Value remaining indexing at 3%, 4%, or 5% per year. The insured chooses the indexing percentage at issue.

The second option, called the Automatic Additional Purchase Benefit, provides a level benefit while the insured does not require LTC benefits. The monthly limit and the Benefit Account Value remaining begin indexing at 5% per year if and when the insured is on claim. Also under this option, the insured has the option of purchasing an additional amount of coverage, equal to 5% of the prior year's monthly limit, each year while not on claim. This additional coverage also increases the Benefit Account Value. The premiums for the additional coverage are level and are based on the insured's current attained age. The insured can continue to purchase the additional coverage under this option until the later of age 85 or

the tenth policy anniversary, or until the insured has refused two of the optional increases in coverage.

All plans include the waiver of premium benefit.

An optional non-forfeiture benefit and survivorship benefit are also available. The non-forfeiture benefit, called Paid-Up Nonforfeiture Benefit, provides paid-up coverage when premium payments stop on or after the third policy anniversary via a smaller aggregate benefit amount. Although we are filing for a premium rate increase, the premiums under the non-forfeiture benefit are not changing at this time.

The survivorship benefit, called the Survivorship Benefit, is a benefit that can be purchased when two spouses or companions each purchase an NLTC long-term care policy. Beginning at the death of the first insured, this benefit will change the status of the second insured's policy to fully paid up.

Three underwriting classes exist: standard, class 1, and class 2. The policy is participating.

6. Renewability

All policy forms listed above are guaranteed renewable.

7. Applicability

This filing is applicable to in force policies only, as this policy form is no longer being sold in your state or nationwide. The premium changes will apply to the base form as well as to all applicable additional benefits. The premium change will also apply to future purchase option elections under the Automatic Additional Purchase Benefit. The premium changes will not apply to policies which have already reached paid-up status.

The company remains in the market, and currently sells similar long-term care insurance.

8. Marketing Method

All policy forms listed above were marketed by Northwestern Mutual's (parent company of NLTC) career captive field force.

9. Issue Age Ranges

Issue ages are from 18 to 79.

10. Actuarial Assumptions – Updated

This section includes the current assumptions used to justify the premium rate increase. These assumptions do not include any margin for adverse experience.

A. Morbidity - Updated

Claim costs from Milliman's 2014 edition of the Long Term Care Guidelines were used for morbidity estimates. The Guidelines have been developed in conjunction with professionals in several Milliman offices and reflect actual experience of various carriers, numerous studies of non-insurance data and judgment. The guidelines are a continually evolving rating structure that are modified as more experience becomes available.

The 2014 Milliman Guidelines were tailored to reflect NLTC's underwriting standards and claims administration practices. Milliman develops morbidity selection factors for three levels of underwriting: looser underwriting, average underwriting, and stricter underwriting. Milliman determined after analyzing NLTC's underwriting standards and practices that we fall in the stricter underwriting category. Milliman also came in to look at our claims administration practices to adjust the 2014 Milliman Guidelines in order to be more in line with how we administer long-term care claims. Final adjustments were made to morbidity recognizing anticipated morbidity differences due to NLTC's specific product design.

We also reviewed how the 2014 Milliman Guidelines compare to our own limited amount of long-term care claims data and our cash claim payments are in line with the expected basis. Since the 2014 Guidelines provided by Milliman were based on long-term care policies with specific benefits equal to what this policy form offers, our overall morbidity experience to-date, although limited and not credible, does not call into question the validity of the 2014 Milliman Guidelines for this block of business.

No morbidity improvement was assumed in pricing.

Appendix I shows a sample of claim costs used in determining the premium rate increase.

B. Expenses

Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate. Normal renewal commission rates will be applied on any increase in premium.

C. Mortality - Updated

Our mortality assumptions were developed using internal company experience and include underwriting selection factors. Mortality improvement is also assumed through attained age 105.

In comparing the pricing mortality table used to the 1994 Group Annuitant Mortality (94 GAM) table prescribed for valuation, the pricing ultimate rates are more conservative for the majority of issue ages. However, the biggest difference between the two tables is not the ultimate rates but that the pricing mortality recognizes lower mortality rates on recently underwritten business (mortality selection) and improved mortality over time (mortality improvement). Thus, the pricing mortality is more conservative than the prescribed table for valuation (94 GAM) which does not have selection or improvement.

D. Lapse – Updated

| Updated Lapse Rates | | |
|----------------------------|---------------------|--------------------|
| Policy Year | Lifetime Pay | Limited Pay |
| 1 | 3.400% | 2.500% |
| 2 | 4.300% | 1.000% |
| 3 | 3.200% | 0.500% |
| 4 | 2.500% | 0.000% |
| 5 | 2.000% | 0.000% |
| 6 | 1.600% | 0.000% |
| 7 | 1.300% | 0.000% |
| 8 | 1.100% | 0.000% |
| 9 | 0.500% | 0.000% |
| 10+ | 0.500% | 0.000% |

Lapse Adjustment by Issue Age - These multipliers remain the same as those used for the original pricing.

Lapse Adjustment for Paid-Up Nonforfeiture Benefit - These multipliers remain the same as those used for the original pricing.

E. Interest

Discounting and accumulating of earned premiums and incurred claims for the purpose of calculating historical, future anticipated and lifetime loss ratios was performed using the maximum valuation interest rate.

F. Distribution

Distribution of Business by Issue Age:

| <u>Issue Age</u> | <u>Expected Distribution</u> | <u>Actual Distribution</u> |
|-------------------------|-------------------------------------|-----------------------------------|
| 25 | 1% | 3% |
| 30 | 1% | 3% |
| 35 | 2% | 4% |
| 40 | 9% | 6% |
| 52 | 33% | 37% |
| 57 | 25% | 23% |
| 62 | 17% | 16% |
| 67 | 7% | 6% |
| 72 | 2% | 1% |
| 77 | 1% | 0% |

Average issue age = 52.4

Distribution of Business by Plan:

| <u>Benefit Period</u> <u>(Years)</u> | <u>Expected</u> <u>Distribution</u> | <u>Actual</u> <u>Distribution</u> |
|---|--|--|
| 3 | 9% | 11% |
| 6 | 25% | 36% |
| Lifetime | 65% | 53% |
| <u>Elimination Period</u> <u>(Weeks)</u> | <u>Expected</u> <u>Distribution</u> | <u>Actual</u> <u>Distribution</u> |
| 6 | 3% | 2% |
| 12 | 88% | 88% |
| 25 | 6% | 7% |
| 52 | 3% | 3% |

Distribution of Business by Sex:

| <u>Sex</u> | <u>Expected</u> <u>Distribution</u> | <u>Actual</u> <u>Distribution</u> |
|-------------------|--|--|
| Male | 47% | 48% |
| Female | 53% | 52% |

Distribution of Business by Indexing Option:

| <u>Indexing Option</u> | <u>Expected</u> <u>Distribution</u> | <u>Actual</u> <u>Distribution</u> |
|---------------------------------------|--|--|
| None | 15% | 19% |
| Automatic Benefit Increase | 15% | 21% |
| Automatic Additional Purchase Benefit | 70% | 60% |

Distribution of Business by Spousal/Companion Discount:

| <u>Discount</u> | <u>Expected</u> <u>Distribution</u> | <u>Actual</u> <u>Distribution</u> |
|------------------------|--|--|
| Single | 16% | 11% |
| One Insured | 15% | 13% |
| Two Insured | 69% | 76% |

11. Actuarial Assumptions - Original

The initial premium rate schedule was based on the originally filed pricing assumptions which included margin for moderately adverse experience and were believed to be appropriate, given company and industry experience available, when the initial rate schedule was developed. The original pricing assumptions for morbidity, voluntary termination rates, and mortality were as follows:

A. Morbidity - Original

Claim costs from Milliman's 2009 edition of the Long Term Care Guidelines were used for morbidity estimates. The Guidelines were developed in conjunction with professionals in several Milliman offices during the mid-2000s and reflect actual experience of various carriers at that time, numerous studies of non-insurance data and actuarial judgment. The guidelines were established with a continually evolving rating structure that allow for modifications over time as more experience becomes available.

Selection factors were applied by policy year to reflect the morbidity anticipated due to underwriting. These factors were based on experience reviewed by Milliman for benefit plans similar to NLTC with modifications to reflect the level of underwriting. For the Automatic Additional Purchase Benefit option, composite selection factors were calculated from the factors above recognizing that initial underwriting will wear off over time. Final adjustments were made to morbidity recognizing anticipated morbidity differences due to NLTC specific underwriting and product design.

B. Mortality - Original

1994 Group Annuitant Mortality (GAM)

C. Lapse - Original

| Lapse Rates | | |
|--------------------|---------------------|--------------------|
| Policy Year | Lifetime Pay | Limited Pay |
| 1 | 3.000% | 2.500% |
| 2 | 2.750% | 1.000% |
| 3 | 2.500% | 0.500% |
| 4 | 2.250% | 0.000% |
| 5 | 2.000% | 0.000% |
| 6 | 1.750% | 0.000% |
| 7 | 1.500% | 0.000% |
| 8 | 1.250% | 0.000% |
| 9 | 1.250% | 0.000% |
| 10 | 1.250% | 0.000% |
| 11 | 1.125% | 0.000% |
| 12 | 1.000% | 0.000% |
| 13 | 0.875% | 0.000% |
| 14 | 0.750% | 0.000% |
| 15 | 0.625% | 0.000% |
| 16+ | 0.500% | 0.000% |

Lapse Adjustment by Issue Age: The following table of multipliers was used to adjust lapse rates for policies issued at older ages.

| Lapse Adjustment by Issue Age | | | |
|--------------------------------------|---------------------|---------------------|---------------------|
| Policy Year | Issue Ages 18-69 | Issue Ages 70-74 | Issue Ages 75-79 |
| 1 | 100% | 100% | 90% |
| 2 | 100% | 100% | 75% |
| 3 | 100% | 100% | 60% |
| 4 | 100% | 100% | 45% |
| 5 | 100% | 100% | 30% |
| 6 | 100% | 100% | 15% |
| 7 | 100% | 100% | 0% |
| 8 | 100% | 100% | 0% |
| 9 | 100% | 100% | 0% |
| 10 | 100% | 80% | 0% |
| 11 | 100% | 60% | 0% |
| 12 | 100% | 40% | 0% |
| 13 | 100% | 20% | 0% |
| 14+ | 100% | 0% | 0% |

Lapse Adjustment for Paid-Up Nonforfeiture Benefit - The following table of multipliers was used to adjust lapse rates for those policies with the Paid-Up Nonforfeiture Benefit (NFB) option:

| Policy Year | Lapse Adjustment Multiplier for NFB |
|-------------|--|
| 1 | 50% |
| 2 | 0% |
| 3 | 200% |
| 4 | 170% |
| 5+ | 110% |

12. Underwriting

Medical underwriting was required for individual policies issued under this policy form and varied by issue age. LTC underwriting takes into account conditions or combinations of medical conditions that are likely to result in an impending need for services. There were three underwriting classes for this policy form: standard, class 1, and class 2.

13. Premium Classes

Premiums are unisex and payable for life, except if the policy becomes paid up as described in Section 5 above. The premiums may vary according to one or more of the following policy and policyholder attributes: issue age, benefit level, benefit period, elimination period, inflation option, premium mode, premium payment duration, marital status, and additional benefits.

A multi-life discount of 5% is also applied where policies were marketed to three or more lives of an employer/employee group or ten or more lives of an association group. This discount is available to members and retirees of these groups, as well as their parents, spouses, and spouses' parents.

14. Reserve Basis

A. Base Plans

Statutory Reserve Basis - Statutory Active Life Reserves are based on the claim costs developed for this plan which reflect a margin for moderately adverse experience. A one-year preliminary term method with 1994 Group Annuitant Mortality (GAM) and 4.0% interest is used. The calculation uses 80% of the expected voluntary lapses. The total termination rate reflects both mortality and voluntary lapse as described in this actuarial memorandum.

Disabled life reserves use the claim costs developed for this plan and the maximum statutory valuation interest rate by calendar year of claim onset.

Since the perceived appropriateness of reserve assumptions can change after issue, the company performs annual asset adequacy testing for its LTC block overall. Additional actuarial reserves due to asset adequacy testing have been held since 2012, and as of December 31, 2016, \$265 million was held for the LTC product line.

B. Paid-Up Nonforfeiture Benefit

Paid-Up Nonforfeiture Benefit Reserves use the same assumptions as the base plan except where noted below. Active life reserves are equal to:

a. The greater of:

1. The LTC active life reserve, and
2. The lapse benefit

plus

b. The Paid-Up Nonforfeiture Benefit Reserve

where:

The LTC active life reserve is consistent with the base policy.

The lapse benefit is equal to the present value of future claims for an insured if the policy is lapsed in the following year.

The Paid-Up Nonforfeiture Benefit Reserve is equal to the present value of future claims for all insureds currently in paid-up status.

Appendix I – Sample Claim Costs (Repricing without Margin for Moderately Adverse Experience)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| 3 Year Benefit Period: No Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | Male | | | | Female | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 19.098 | 16.842 | 14.162 | 11.351 | 14.240 | 12.488 | 10.384 | 8.158 |
| 65 | 49.238 | 43.303 | 36.164 | 28.409 | 52.435 | 46.284 | 38.868 | 30.639 |
| 75 | 190.828 | 167.536 | 138.749 | 105.275 | 237.535 | 211.012 | 178.885 | 141.806 |
| 85 | 780.438 | 684.581 | 564.353 | 419.194 | 1,111.973 | 991.323 | 844.954 | 671.633 |
| 95 | 1,652.962 | 1,423.646 | 1,130.887 | 786.643 | 2,694.664 | 2,389.954 | 2,013.617 | 1,553.058 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| 6 Year Benefit Period: No Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | Male | | | | Female | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 33.090 | 29.393 | 24.984 | 20.200 | 24.394 | 21.602 | 18.263 | 14.668 |
| 65 | 82.331 | 72.854 | 61.407 | 48.666 | 89.179 | 79.238 | 67.270 | 53.842 |
| 75 | 301.105 | 265.247 | 220.738 | 168.440 | 402.510 | 358.928 | 306.080 | 244.675 |
| 85 | 1,192.921 | 1,048.449 | 866.540 | 646.179 | 1,865.098 | 1,665.056 | 1,420.775 | 1,129.193 |
| 95 | 2,377.784 | 2,053.885 | 1,639.301 | 1,148.921 | 4,231.029 | 3,750.024 | 3,149.859 | 2,412.098 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| Lifetime Benefit Period: No Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | Male | | | | Female | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 53.020 | 47.546 | 41.069 | 33.894 | 43.716 | 39.266 | 34.024 | 28.295 |
| 65 | 127.089 | 113.567 | 97.364 | 79.036 | 151.508 | 136.157 | 117.959 | 97.487 |
| 75 | 433.331 | 385.252 | 326.021 | 256.057 | 644.320 | 579.339 | 501.652 | 411.619 |
| 85 | 1,657.306 | 1,469.632 | 1,235.647 | 952.132 | 2,849.201 | 2,561.328 | 2,214.287 | 1,802.641 |
| 95 | 3,295.815 | 2,885.196 | 2,364.184 | 1,740.021 | 6,191.692 | 5,534.897 | 4,726.402 | 3,740.136 |

Appendix I– Sample Claim Costs (cont.)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| 3 Year Benefit Period: With 5% Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 20.386 | 18.099 | 15.443 | 12.673 | 15.172 | 13.397 | 11.306 | 9.097 |
| 65 | 52.504 | 46.483 | 39.384 | 31.665 | 55.944 | 49.702 | 42.335 | 34.162 |
| 75 | 203.189 | 179.515 | 150.766 | 116.971 | 253.780 | 226.835 | 194.923 | 158.114 |
| 85 | 830.252 | 732.721 | 612.364 | 464.826 | 1,189.008 | 1,066.333 | 920.916 | 748.747 |
| 95 | 1,749.383 | 1,516.285 | 1,222.223 | 868.373 | 2,876.470 | 2,566.176 | 2,190.355 | 1,726.025 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| 6 Year Benefit Period: With 5% Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 37.017 | 33.114 | 28.567 | 23.657 | 27.232 | 24.294 | 20.865 | 17.194 |
| 65 | 91.627 | 81.644 | 69.837 | 56.667 | 99.524 | 89.038 | 76.710 | 62.929 |
| 75 | 332.185 | 294.515 | 248.578 | 193.982 | 449.293 | 403.189 | 348.587 | 285.282 |
| 85 | 1,309.453 | 1,157.942 | 970.208 | 739.274 | 2,079.631 | 1,867.597 | 1,614.406 | 1,311.733 |
| 95 | 2,577.323 | 2,240.753 | 1,815.054 | 1,299.582 | 4,670.878 | 4,163.200 | 3,540.756 | 2,766.340 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| Lifetime Benefit Period: With 5% Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 65.683 | 59.304 | 51.947 | 43.843 | 57.702 | 52.253 | 46.039 | 39.354 |
| 65 | 153.715 | 138.290 | 120.232 | 99.824 | 194.293 | 175.888 | 154.716 | 131.219 |
| 75 | 503.883 | 450.764 | 386.620 | 310.330 | 794.501 | 718.795 | 630.662 | 529.405 |
| 85 | 1,892.668 | 1,688.183 | 1,437.824 | 1,131.293 | 3,400.299 | 3,073.055 | 2,687.660 | 2,232.044 |
| 95 | 3,678.049 | 3,240.061 | 2,692.349 | 2,023.929 | 7,127.815 | 6,404.122 | 5,530.446 | 4,458.674 |

Appendix II– Sample Claim Costs (Original Pricing without Margin for Moderately Adverse Experience)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| 3 Year Benefit Period: No Indexing, by Elimination Period (weeks) | | | | | | | | |
| Attained | Male | | | | Female | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 22.420 | 19.681 | 16.234 | 13.475 | 15.901 | 13.831 | 11.220 | 9.084 |
| 65 | 51.931 | 45.086 | 36.234 | 28.366 | 56.402 | 49.023 | 39.608 | 31.608 |
| 75 | 182.380 | 157.430 | 125.080 | 94.937 | 225.182 | 196.807 | 160.329 | 127.620 |
| 85 | 662.010 | 567.876 | 443.223 | 318.195 | 1,029.806 | 902.063 | 735.593 | 580.549 |
| 95 | 1,364.982 | 1,152.939 | 876.463 | 603.157 | 2,457.969 | 2,153.865 | 1,758.321 | 1,372.705 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| 6 Year Benefit Period: No Indexing, by Elimination Period (weeks) | | | | | | | | |
| Attained | Male | | | | Female | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 35.168 | 30.963 | 25.607 | 21.130 | 24.774 | 21.702 | 17.804 | 14.581 |
| 65 | 76.089 | 66.309 | 53.610 | 42.217 | 85.597 | 74.818 | 60.987 | 49.061 |
| 75 | 253.984 | 219.628 | 174.808 | 132.599 | 335.765 | 294.220 | 240.518 | 192.016 |
| 85 | 874.975 | 751.096 | 586.728 | 422.156 | 1,493.069 | 1,308.004 | 1,065.401 | 836.688 |
| 95 | 1,772.567 | 1,500.955 | 1,145.328 | 792.625 | 3,437.365 | 3,006.521 | 2,442.158 | 1,889.077 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| Lifetime Benefit Period: No Indexing, by Elimination Period (weeks) | | | | | | | | |
| Attained | Male | | | | Female | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 53.857 | 47.451 | 39.268 | 32.371 | 41.315 | 36.374 | 30.109 | 24.983 |
| 65 | 112.902 | 98.509 | 79.801 | 62.994 | 134.696 | 118.134 | 96.892 | 78.705 |
| 75 | 356.273 | 308.098 | 245.178 | 185.835 | 504.260 | 442.421 | 362.443 | 290.456 |
| 85 | 1,198.973 | 1,028.939 | 803.259 | 577.406 | 2,125.246 | 1,860.943 | 1,514.105 | 1,186.705 |
| 95 | 2,409.420 | 2,039.603 | 1,555.084 | 1,074.353 | 4,760.903 | 4,160.253 | 3,372.542 | 2,600.110 |

Appendix II – Sample Claim Costs (cont.)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| 3 Year Benefit Period: With 5% Indexing, by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 24.600 | 21.814 | 18.360 | 15.696 | 17.405 | 15.301 | 12.682 | 10.594 |
| 65 | 56.776 | 49.806 | 40.892 | 33.041 | 61.700 | 54.195 | 44.736 | 36.849 |
| 75 | 199.069 | 173.657 | 141.022 | 110.587 | 246.582 | 217.678 | 180.980 | 148.569 |
| 85 | 720.577 | 624.631 | 498.569 | 370.597 | 1,127.751 | 997.450 | 829.691 | 675.071 |
| 95 | 1,480.743 | 1,265.056 | 985.642 | 704.848 | 2,692.324 | 2,381.591 | 1,981.887 | 1,593.833 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| 6 Year Benefit Period: With 5% Indexing, by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 40.663 | 36.209 | 30.611 | 26.063 | 28.596 | 25.356 | 21.302 | 18.053 |
| 65 | 87.037 | 76.758 | 63.562 | 51.845 | 98.418 | 87.066 | 72.682 | 60.530 |
| 75 | 288.125 | 252.176 | 205.699 | 161.834 | 385.377 | 341.568 | 285.626 | 235.881 |
| 85 | 983.249 | 854.340 | 684.615 | 512.752 | 1,706.913 | 1,511.772 | 1,258.830 | 1,022.071 |
| 95 | 1,981.558 | 1,700.429 | 1,334.595 | 965.828 | 3,911.115 | 3,457.511 | 2,869.179 | 2,293.217 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| Lifetime Benefit Period: With 5% Indexing, by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 66.815 | 59.669 | 50.656 | 43.258 | 53.908 | 48.202 | 41.081 | 35.518 |
| 65 | 137.069 | 121.336 | 101.120 | 83.171 | 170.268 | 151.622 | 128.048 | 108.489 |
| 75 | 419.057 | 367.708 | 301.230 | 238.389 | 619.691 | 551.371 | 464.136 | 387.224 |
| 85 | 1,385.424 | 1,206.606 | 971.090 | 732.839 | 2,531.735 | 2,246.039 | 1,875.232 | 1,527.585 |
| 95 | 2,761.476 | 2,375.818 | 1,873.556 | 1,367.068 | 5,584.030 | 4,942.029 | 4,108.029 | 3,290.544 |

Appendix III – Ratio of Current to Original Claim Costs

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| 3 Year Benefit Period: No Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 85% | 86% | 87% | 84% | 90% | 90% | 93% | 90% |
| 65 | 95% | 96% | 100% | 100% | 93% | 94% | 98% | 97% |
| 75 | 105% | 106% | 111% | 111% | 105% | 107% | 112% | 111% |
| 85 | 118% | 121% | 127% | 132% | 108% | 110% | 115% | 116% |
| 95 | 121% | 123% | 129% | 130% | 110% | 111% | 115% | 113% |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| 6 Year Benefit Period: No Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 94% | 95% | 98% | 96% | 98% | 100% | 103% | 101% |
| 65 | 108% | 110% | 115% | 115% | 104% | 106% | 110% | 110% |
| 75 | 119% | 121% | 126% | 127% | 120% | 122% | 127% | 127% |
| 85 | 136% | 140% | 148% | 153% | 125% | 127% | 133% | 135% |
| 95 | 134% | 137% | 143% | 145% | 123% | 125% | 129% | 128% |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| Lifetime Benefit Period: No Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 98% | 100% | 105% | 105% | 106% | 108% | 113% | 113% |
| 65 | 113% | 115% | 122% | 125% | 112% | 115% | 122% | 124% |
| 75 | 122% | 125% | 133% | 138% | 128% | 131% | 138% | 142% |
| 85 | 138% | 143% | 154% | 165% | 134% | 138% | 146% | 152% |
| 95 | 137% | 141% | 152% | 162% | 130% | 133% | 140% | 144% |

Appendix III – Ratio of Current to Original Claim Costs (cont.)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| 3 Year Benefit Period: With 5% Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 83% | 83% | 84% | 81% | 87% | 88% | 89% | 86% |
| 65 | 92% | 93% | 96% | 96% | 91% | 92% | 95% | 93% |
| 75 | 102% | 103% | 107% | 106% | 103% | 104% | 108% | 106% |
| 85 | 115% | 117% | 123% | 125% | 105% | 107% | 111% | 111% |
| 95 | 118% | 120% | 124% | 123% | 107% | 108% | 111% | 108% |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| 6 Year Benefit Period: With 5% Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 91% | 91% | 93% | 91% | 95% | 96% | 98% | 95% |
| 65 | 105% | 106% | 110% | 109% | 101% | 102% | 106% | 104% |
| 75 | 115% | 117% | 121% | 120% | 117% | 118% | 122% | 121% |
| 85 | 133% | 136% | 142% | 144% | 122% | 124% | 128% | 128% |
| 95 | 130% | 132% | 136% | 135% | 119% | 120% | 123% | 121% |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| Lifetime Benefit Period: With 5% Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 98% | 99% | 103% | 101% | 107% | 108% | 112% | 111% |
| 65 | 112% | 114% | 119% | 120% | 114% | 116% | 121% | 121% |
| 75 | 120% | 123% | 128% | 130% | 128% | 130% | 136% | 137% |
| 85 | 137% | 140% | 148% | 154% | 134% | 137% | 143% | 146% |
| 95 | 133% | 136% | 144% | 148% | 128% | 130% | 135% | 135% |

Actuarial Certification

I, Gregory Gurlik, am an Actuary and an officer of the Northwestern Long Term Care Insurance Company and am a member in good standing of the American Academy of Actuaries. I wrote the Actuarial Memorandum for the rate increase filing for form TT.LTC.(1010). The assumptions used as stated in this memorandum are reasonable and realistic for this product. To the best of my knowledge and judgment, this filing complies with the laws and regulations of your state and the benefits are reasonable in relation to the premiums charged.

April 10, 2017

Actuary



Date

NORTHWESTERN LONG TERM CARE INSURANCE COMPANY

ACTUARIAL MEMORANDUM

Product Name
QuietCare TT

Policy Form Number
TT.LTC.(1010)

Issue Date Range*
October 2010 – March 2013
(*see exhibit 2 for state's range)

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1. Scope & Purpose

This memorandum consists of materials which support the development of new premium rates for the policy series form listed on page 1. The purpose of this memorandum is to demonstrate that the requirements of this State in regards to an inforce rate increase request have been met. This rate filing is not intended to be used for any other purpose.

2. Requested Rate Increase

The company is requesting an average rate increase of 27% with the rate increase varying by benefit period and premium paying period. The requested rate increase for lifetime premium paying policies with 3 year benefit period is 10%, 6 year benefit period is 25% and lifetime benefit period is 30%. The requested premium rate schedule increase for lifetime premium paying policies is not considered sufficient to cover the adverse impact of the changes to the assumptions in this filing. If the average rate schedule increase of 55% were requested and implemented and the underlying assumptions with additional margin for moderately adverse conditions are realized no increase beyond 55% would be anticipated. Rates are not being increased for issue age 75+ policies with 3 year benefit period to ensure that inforce rates do not exceed new business rates. The requested rate increase for limited pay premium policies with 3 year benefit period is 25%, 6 year benefit period is 27% and lifetime benefit period is 29%. The requested premium rate schedule increase for limited pay premium policies is not considered sufficient to cover the adverse impact of the changes to the assumptions in this filing. If the average rate schedule increase of 130% were requested and implemented and the underlying assumptions with additional margin for moderately adverse conditions are realized no increase beyond 130% would be anticipated. The rate increases adhere to the following restrictions:

- a. We ensure that the proposed rate increase does not result in premium rates that exceed the rates for new business. This is demonstrated in the attached premium rate comparison.
- b. We ensure that the resulting overall increase in rates satisfies 14VAC5-200-153 C2, ensuring no less than an 85% loss ratio on the rate increase portion, while applying 58% to the current rate schedule. This is demonstrated in Exhibit 1.
- c. The lifetime loss ratio after the proposed rate increase is greater than or equal to the lifetime loss ratio targeted in the original filing from this form.

New proposed rate tables for this policy form are included with this filing. The contingent non-forfeiture paid up benefit equal to the sum of premiums paid is being offered to all policyowners impacted by the rate increase whether or not their increase is above the substantial increase triggers.

The number of policyowners and amount of inforce premium, as of December 31, 2015, for your state and nationwide, are displayed in Exhibit 2. The exhibit also shows the average annual premium before and after the proposed rate increase.

3. Reason for Rate Increase Request

A rate increase is necessary at this time due to significantly higher anticipated future and lifetime loss ratios. The higher loss ratios are mainly the result of longer claim continuance with a greater effect on longer benefit periods, combined with lower lapse and mortality rates.

Northwestern Long Term Care Insurance Company (NLTC) has been evaluating this block and updating assumptions based on our experience as well as the LTCi industry experience. For the form specified above, the projected lifetime loss ratio based on the assumptions

outlined in this memo is worse than original pricing. The combined effect of changing the underlying claim costs and updating the mortality rates and persistency assumptions resulted in the need for a rate increase. The current premium levels are inadequate and, therefore, NLTC is requesting a rate increase in order to maintain the viability and financial stability of the policy form.

Even though we could justify a higher rate increase, at this time we have decided to request 27% taking into consideration the impact on our policyowners. If experience does not improve, we may need to request future rate increases on this policy form.

4. Rate Increase History

We have not requested any previous rate increases on this policy form, either in your state or on a nationwide basis.

5. Benefit Descriptions

This policy provides comprehensive long term care coverage, and reimburses eligible expenses of the insured up to the monthly limits of the policy. The product is priced to have level premiums. All premiums are guaranteed renewable. If the policy becomes paid-up, it becomes non-cancellable. The product is available at issue ages 18-79. Premiums are on a sex neutral basis.

The insured chooses a monthly limit, benefit period, elimination period, and premium-paying period. The plan reimburses eligible expenses up to the monthly limits once the elimination period is satisfied. The plan continues to reimburse expenses until eligible expenses are no longer incurred or benefits are exhausted.

Care can be provided by licensed health care practitioners in licensed nursing homes, alternate living facilities, the home, and adult day care agencies. Respite care and Hospice care are also covered.

The premium paying period options include Lifetime Pay, 10 Pay, and To Age 65. The Lifetime Pay premiums are paid for life, the 10 Pay premiums are paid for ten years after issue, and the To Age 65 premiums are paid until the policy anniversary nearest the insured's 65th birthday. The Lifetime Pay and 10 Pay premium paying period options are offered at issue ages 18-79; while the To Age 65 premium paying period option is only offered at issue ages 18-54.

Two indexing options are available. The first option, called the Automatic Benefit Increase option, is a level premium product with the monthly limit and the Benefit Account Value remaining indexing at 3%, 4%, or 5% per year. The insured chooses the indexing percentage at issue.

The second option, called the Automatic Additional Purchase Benefit, provides a level benefit while the insured does not require LTC benefits. The monthly limit and the Benefit Account Value remaining begin indexing at 5% per year if and when the insured is on claim. Also under this option, the insured has the option of purchasing an additional amount of coverage, equal to 5% of the prior year's monthly limit, each year while not on claim. This additional coverage also increases the Benefit Account Value. The premiums for the additional coverage are level and are based on the insured's current attained age. The insured can continue to purchase the additional coverage under this option until the later of age 85 or

the tenth policy anniversary, or until the insured has refused two of the optional increases in coverage.

All plans include the waiver of premium benefit.

An optional non-forfeiture benefit and survivorship benefit are also available. The non-forfeiture benefit, called Paid-Up Nonforfeiture Benefit, provides paid-up coverage when premium payments stop on or after the third policy anniversary via a smaller aggregate benefit amount. Although we are filing for a premium rate increase, the premiums under the non-forfeiture benefit are not changing at this time.

The survivorship benefit, called the Survivorship Benefit, is a benefit that can be purchased when two spouses or companions each purchase an NLTC long-term care policy. Beginning at the death of the first insured, this benefit will change the status of the second insured's policy to fully paid up.

Three underwriting classes exist: standard, class 1, and class 2. The policy is participating.

6. Renewability

All policy forms listed above are guaranteed renewable.

7. Applicability

This filing is applicable to in force policies only, as this policy form is no longer being sold in your state or nationwide. The premium changes will apply to the base form as well as to all applicable additional benefits. The premium change will also apply to future purchase option elections under the Automatic Additional Purchase Benefit. The premium changes will not apply to policies which have already reached paid-up status.

The company remains in the market, and currently sells similar long-term care insurance.

8. Marketing Method

All policy forms listed above were marketed by Northwestern Mutual's (parent company of NLTC) career captive field force.

9. Issue Age Ranges

Issue ages are from 18 to 79.

10. Actuarial Assumptions – Updated

This section includes the current assumptions used to justify the premium rate increase. These assumptions do not include any margin for adverse experience.

A. Morbidity - Updated

Claim costs from Milliman's 2014 edition of the Long Term Care Guidelines were used for morbidity estimates. The Guidelines have been developed in conjunction with professionals in several Milliman offices and reflect actual experience of various carriers, numerous studies of non-insurance data and judgment. The guidelines are a continually evolving rating structure that are modified as more experience becomes available.

The 2014 Milliman Guidelines were tailored to reflect NLTC's underwriting standards and claims administration practices. Milliman develops morbidity selection factors for three levels of underwriting: looser underwriting, average underwriting, and stricter underwriting. Milliman determined after analyzing NLTC's underwriting standards and practices that we fall in the stricter underwriting category. Milliman also came in to look at our claims administration practices to adjust the 2014 Milliman Guidelines in order to be more in line with how we administer long-term care claims. Final adjustments were made to morbidity recognizing anticipated morbidity differences due to NLTC's specific product design.

We also reviewed how the 2014 Milliman Guidelines compare to our own limited amount of long-term care claims data and our cash claim payments are in line with the expected basis. Since the 2014 Guidelines provided by Milliman were based on long-term care policies with specific benefits equal to what this policy form offers, our overall morbidity experience to-date, although limited and not credible, does not call into question the validity of the 2014 Milliman Guidelines for this block of business.

No morbidity improvement was assumed in pricing.

Appendix I shows a sample of claim costs used in determining the premium rate increase.

B. Expenses

Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate. Normal renewal commission rates will be applied on any increase in premium.

C. Mortality - Updated

Our mortality assumptions were developed using internal company experience and include underwriting selection factors. Mortality improvement is also assumed through attained age 105.

In comparing the pricing mortality table used to the 1994 Group Annuitant Mortality (94 GAM) table prescribed for valuation, the pricing ultimate rates are more conservative for the majority of issue ages. However, the biggest difference between the two tables is not the ultimate rates but that the pricing mortality recognizes lower mortality rates on recently underwritten business (mortality selection) and improved mortality over time (mortality improvement). Thus, the pricing mortality is more conservative than the prescribed table for valuation (94 GAM) which does not have selection or improvement.

D. Lapse – Updated

| Updated Lapse Rates | | |
|---------------------|--------------|-------------|
| Policy Year | Lifetime Pay | Limited Pay |
| 1 | 3.400% | 2.500% |
| 2 | 4.300% | 1.000% |
| 3 | 3.200% | 0.500% |
| 4 | 2.500% | 0.000% |
| 5 | 2.000% | 0.000% |
| 6 | 1.600% | 0.000% |
| 7 | 1.300% | 0.000% |
| 8 | 1.100% | 0.000% |
| 9 | 0.500% | 0.000% |
| 10+ | 0.500% | 0.000% |

Lapse Adjustment by Issue Age - These multipliers remain the same as those used for the original pricing.

Lapse Adjustment for Paid-Up Nonforfeiture Benefit - These multipliers remain the same as those used for the original pricing.

E. Interest

Discounting and accumulating of earned premiums and incurred claims for the purpose of calculating historical, future anticipated and lifetime loss ratios was performed using the maximum valuation interest rate.

F. Distribution

Distribution of Business by Issue Age:

| <u>Issue Age</u> | <u>Expected Distribution</u> | <u>Actual Distribution</u> |
|------------------|------------------------------|----------------------------|
| 25 | 1% | 3% |
| 30 | 1% | 3% |
| 35 | 2% | 4% |
| 40 | 9% | 6% |
| 52 | 33% | 37% |
| 57 | 25% | 23% |
| 62 | 17% | 16% |
| 67 | 7% | 6% |
| 72 | 2% | 1% |
| 77 | 1% | 0% |

Average issue age = 52.4

Distribution of Business by Plan:

| <u>Benefit Period</u> <u>(Years)</u> | <u>Expected</u> <u>Distribution</u> | <u>Actual</u> <u>Distribution</u> |
|---|--|--|
| 3 | 9% | 11% |
| 6 | 25% | 36% |
| Lifetime | 65% | 53% |
| <u>Elimination Period</u> <u>(Weeks)</u> | <u>Expected</u> <u>Distribution</u> | <u>Actual</u> <u>Distribution</u> |
| 6 | 3% | 2% |
| 12 | 88% | 88% |
| 25 | 6% | 7% |
| 52 | 3% | 3% |

Distribution of Business by Sex:

| <u>Sex</u> | <u>Expected</u> <u>Distribution</u> | <u>Actual</u> <u>Distribution</u> |
|-------------------|--|--|
| Male | 47% | 48% |
| Female | 53% | 52% |

Distribution of Business by Indexing Option:

| <u>Indexing Option</u> | <u>Expected</u> <u>Distribution</u> | <u>Actual</u> <u>Distribution</u> |
|---------------------------------------|--|--|
| None | 15% | 19% |
| Automatic Benefit Increase | 15% | 21% |
| Automatic Additional Purchase Benefit | 70% | 60% |

Distribution of Business by Spousal/Companion Discount:

| <u>Discount</u> | <u>Expected</u> <u>Distribution</u> | <u>Actual</u> <u>Distribution</u> |
|------------------------|--|--|
| Single | 16% | 11% |
| One Insured | 15% | 13% |
| Two Insured | 69% | 76% |

11. Actuarial Assumptions - Original

The initial premium rate schedule was based on the originally filed pricing assumptions which included margin for moderately adverse experience and were believed to be appropriate, given company and industry experience available, when the initial rate schedule was developed. The original pricing assumptions for morbidity, voluntary termination rates, and mortality were as follows:

A. Morbidity - Original

Claim costs from Milliman's 2009 edition of the Long Term Care Guidelines were used for morbidity estimates. The Guidelines were developed in conjunction with professionals in several Milliman offices during the mid-2000s and reflect actual experience of various carriers at that time, numerous studies of non-insurance data and actuarial judgment. The guidelines were established with a continually evolving rating structure that allow for modifications over time as more experience becomes available.

Selection factors were applied by policy year to reflect the morbidity anticipated due to underwriting. These factors were based on experience reviewed by Milliman for benefit plans similar to NLTC with modifications to reflect the level of underwriting. For the Automatic Additional Purchase Benefit option, composite selection factors were calculated from the factors above recognizing that initial underwriting will wear off over time. Final adjustments were made to morbidity recognizing anticipated morbidity differences due to NLTC specific underwriting and product design.

B. Mortality - Original

1994 Group Annuitant Mortality (GAM)

C. Lapse - Original

| Lapse Rates | | |
|--------------------|---------------------|--------------------|
| Policy Year | Lifetime Pay | Limited Pay |
| 1 | 3.000% | 2.500% |
| 2 | 2.750% | 1.000% |
| 3 | 2.500% | 0.500% |
| 4 | 2.250% | 0.000% |
| 5 | 2.000% | 0.000% |
| 6 | 1.750% | 0.000% |
| 7 | 1.500% | 0.000% |
| 8 | 1.250% | 0.000% |
| 9 | 1.250% | 0.000% |
| 10 | 1.250% | 0.000% |
| 11 | 1.125% | 0.000% |
| 12 | 1.000% | 0.000% |
| 13 | 0.875% | 0.000% |
| 14 | 0.750% | 0.000% |
| 15 | 0.625% | 0.000% |
| 16+ | 0.500% | 0.000% |

Lapse Adjustment by Issue Age: The following table of multipliers was used to adjust lapse rates for policies issued at older ages.

| Lapse Adjustment by Issue Age | | | |
|--------------------------------------|---------------------|---------------------|---------------------|
| Policy Year | Issue Ages 18-69 | Issue Ages 70-74 | Issue Ages 75-79 |
| 1 | 100% | 100% | 90% |
| 2 | 100% | 100% | 75% |
| 3 | 100% | 100% | 60% |
| 4 | 100% | 100% | 45% |
| 5 | 100% | 100% | 30% |
| 6 | 100% | 100% | 15% |
| 7 | 100% | 100% | 0% |
| 8 | 100% | 100% | 0% |
| 9 | 100% | 100% | 0% |
| 10 | 100% | 80% | 0% |
| 11 | 100% | 60% | 0% |
| 12 | 100% | 40% | 0% |
| 13 | 100% | 20% | 0% |
| 14+ | 100% | 0% | 0% |

Lapse Adjustment for Paid-Up Nonforfeiture Benefit - The following table of multipliers was used to adjust lapse rates for those policies with the Paid-Up Nonforfeiture Benefit (NFB) option:

| Policy Year | Lapse Adjustment Multiplier for NFB |
|-------------|--|
| 1 | 50% |
| 2 | 0% |
| 3 | 200% |
| 4 | 170% |
| 5+ | 110% |

12. Underwriting

Medical underwriting was required for individual policies issued under this policy form and varied by issue age. LTC underwriting takes into account conditions or combinations of medical conditions that are likely to result in an impending need for services. There were three underwriting classes for this policy form: standard, class 1, and class 2.

13. Premium Classes

Premiums are unisex and payable for life, except if the policy becomes paid up as described in Section 5 above. The premiums may vary according to one or more of the following policy and policyholder attributes: issue age, benefit level, benefit period, elimination period, inflation option, premium mode, premium payment duration, marital status, and additional benefits.

A multi-life discount of 5% is also applied where policies were marketed to three or more lives of an employer/employee group or ten or more lives of an association group. This discount is available to members and retirees of these groups, as well as their parents, spouses, and spouses' parents.

14. Reserve Basis

A. Base Plans

Statutory Reserve Basis - Statutory Active Life Reserves are based on the claim costs developed for this plan which reflect a margin for moderately adverse experience. A one-year preliminary term method with 1994 Group Annuitant Mortality (GAM) and 4.0% interest is used. The calculation uses 80% of the expected voluntary lapses. The total termination rate reflects both mortality and voluntary lapse as described in this actuarial memorandum.

Disabled life reserves use the claim costs developed for this plan and the maximum statutory valuation interest rate by calendar year of claim onset.

Since the perceived appropriateness of reserve assumptions can change after issue, the company performs annual asset adequacy testing for its LTC block overall. Additional actuarial reserves due to asset adequacy testing have been held since 2012, and as of December 31, 2016, \$265 million was held for the LTC product line.

B. Paid-Up Nonforfeiture Benefit

Paid-Up Nonforfeiture Benefit Reserves use the same assumptions as the base plan except where noted below. Active life reserves are equal to:

a. The greater of:

1. The LTC active life reserve, and
2. The lapse benefit

plus

b. The Paid-Up Nonforfeiture Benefit Reserve

where:

The LTC active life reserve is consistent with the base policy.

The lapse benefit is equal to the present value of future claims for an insured if the policy is lapsed in the following year.

The Paid-Up Nonforfeiture Benefit Reserve is equal to the present value of future claims for all insureds currently in paid-up status.

Appendix I – Sample Claim Costs (Repricing without Margin for Moderately Adverse Experience)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| 3 Year Benefit Period: No Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | Male | | | | Female | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 19.098 | 16.842 | 14.162 | 11.351 | 14.240 | 12.488 | 10.384 | 8.158 |
| 65 | 49.238 | 43.303 | 36.164 | 28.409 | 52.435 | 46.284 | 38.868 | 30.639 |
| 75 | 190.828 | 167.536 | 138.749 | 105.275 | 237.535 | 211.012 | 178.885 | 141.806 |
| 85 | 780.438 | 684.581 | 564.353 | 419.194 | 1,111.973 | 991.323 | 844.954 | 671.633 |
| 95 | 1,652.962 | 1,423.646 | 1,130.887 | 786.643 | 2,694.664 | 2,389.954 | 2,013.617 | 1,553.058 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| 6 Year Benefit Period: No Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | Male | | | | Female | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 33.090 | 29.393 | 24.984 | 20.200 | 24.394 | 21.602 | 18.263 | 14.668 |
| 65 | 82.331 | 72.854 | 61.407 | 48.666 | 89.179 | 79.238 | 67.270 | 53.842 |
| 75 | 301.105 | 265.247 | 220.738 | 168.440 | 402.510 | 358.928 | 306.080 | 244.675 |
| 85 | 1,192.921 | 1,048.449 | 866.540 | 646.179 | 1,865.098 | 1,665.056 | 1,420.775 | 1,129.193 |
| 95 | 2,377.784 | 2,053.885 | 1,639.301 | 1,148.921 | 4,231.029 | 3,750.024 | 3,149.859 | 2,412.098 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| Lifetime Benefit Period: No Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | Male | | | | Female | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 53.020 | 47.546 | 41.069 | 33.894 | 43.716 | 39.266 | 34.024 | 28.295 |
| 65 | 127.089 | 113.567 | 97.364 | 79.036 | 151.508 | 136.157 | 117.959 | 97.487 |
| 75 | 433.331 | 385.252 | 326.021 | 256.057 | 644.320 | 579.339 | 501.652 | 411.619 |
| 85 | 1,657.306 | 1,469.632 | 1,235.647 | 952.132 | 2,849.201 | 2,561.328 | 2,214.287 | 1,802.641 |
| 95 | 3,295.815 | 2,885.196 | 2,364.184 | 1,740.021 | 6,191.692 | 5,534.897 | 4,726.402 | 3,740.136 |

Appendix I– Sample Claim Costs (cont.)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| 3 Year Benefit Period: With 5% Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 20.386 | 18.099 | 15.443 | 12.673 | 15.172 | 13.397 | 11.306 | 9.097 |
| 65 | 52.504 | 46.483 | 39.384 | 31.665 | 55.944 | 49.702 | 42.335 | 34.162 |
| 75 | 203.189 | 179.515 | 150.766 | 116.971 | 253.780 | 226.835 | 194.923 | 158.114 |
| 85 | 830.252 | 732.721 | 612.364 | 464.826 | 1,189.008 | 1,066.333 | 920.916 | 748.747 |
| 95 | 1,749.383 | 1,516.285 | 1,222.223 | 868.373 | 2,876.470 | 2,566.176 | 2,190.355 | 1,726.025 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| 6 Year Benefit Period: With 5% Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 37.017 | 33.114 | 28.567 | 23.657 | 27.232 | 24.294 | 20.865 | 17.194 |
| 65 | 91.627 | 81.644 | 69.837 | 56.667 | 99.524 | 89.038 | 76.710 | 62.929 |
| 75 | 332.185 | 294.515 | 248.578 | 193.982 | 449.293 | 403.189 | 348.587 | 285.282 |
| 85 | 1,309.453 | 1,157.942 | 970.208 | 739.274 | 2,079.631 | 1,867.597 | 1,614.406 | 1,311.733 |
| 95 | 2,577.323 | 2,240.753 | 1,815.054 | 1,299.582 | 4,670.878 | 4,163.200 | 3,540.756 | 2,766.340 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| Lifetime Benefit Period: With 5% Indexing; by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 65.683 | 59.304 | 51.947 | 43.843 | 57.702 | 52.253 | 46.039 | 39.354 |
| 65 | 153.715 | 138.290 | 120.232 | 99.824 | 194.293 | 175.888 | 154.716 | 131.219 |
| 75 | 503.883 | 450.764 | 386.620 | 310.330 | 794.501 | 718.795 | 630.662 | 529.405 |
| 85 | 1,892.668 | 1,688.183 | 1,437.824 | 1,131.293 | 3,400.299 | 3,073.055 | 2,687.660 | 2,232.044 |
| 95 | 3,678.049 | 3,240.061 | 2,692.349 | 2,023.929 | 7,127.815 | 6,404.122 | 5,530.446 | 4,458.674 |

Appendix II– Sample Claim Costs (Original Pricing without Margin for Moderately Adverse Experience)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| 3 Year Benefit Period: No Indexing, by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 22.420 | 19.681 | 16.234 | 13.475 | 15.901 | 13.831 | 11.220 | 9.084 |
| 65 | 51.931 | 45.086 | 36.234 | 28.366 | 56.402 | 49.023 | 39.608 | 31.608 |
| 75 | 182.380 | 157.430 | 125.080 | 94.937 | 225.182 | 196.807 | 160.329 | 127.620 |
| 85 | 662.010 | 567.876 | 443.223 | 318.195 | 1,029.806 | 902.063 | 735.593 | 580.549 |
| 95 | 1,364.982 | 1,152.939 | 876.463 | 603.157 | 2,457.969 | 2,153.865 | 1,758.321 | 1,372.705 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| 6 Year Benefit Period: No Indexing, by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 35.168 | 30.963 | 25.607 | 21.130 | 24.774 | 21.702 | 17.804 | 14.581 |
| 65 | 76.089 | 66.309 | 53.610 | 42.217 | 85.597 | 74.818 | 60.987 | 49.061 |
| 75 | 253.984 | 219.628 | 174.808 | 132.599 | 335.765 | 294.220 | 240.518 | 192.016 |
| 85 | 874.975 | 751.096 | 586.728 | 422.156 | 1,493.069 | 1,308.004 | 1,065.401 | 836.688 |
| 95 | 1,772.567 | 1,500.955 | 1,145.328 | 792.625 | 3,437.365 | 3,006.521 | 2,442.158 | 1,889.077 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|---|-------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| Lifetime Benefit Period: No Indexing, by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 53.857 | 47.451 | 39.268 | 32.371 | 41.315 | 36.374 | 30.109 | 24.983 |
| 65 | 112.902 | 98.509 | 79.801 | 62.994 | 134.696 | 118.134 | 96.892 | 78.705 |
| 75 | 356.273 | 308.098 | 245.178 | 185.835 | 504.260 | 442.421 | 362.443 | 290.456 |
| 85 | 1,198.973 | 1,028.939 | 803.259 | 577.406 | 2,125.246 | 1,860.943 | 1,514.105 | 1,186.705 |
| 95 | 2,409.420 | 2,039.603 | 1,555.084 | 1,074.353 | 4,760.903 | 4,160.253 | 3,372.542 | 2,600.110 |

Appendix II – Sample Claim Costs (cont.)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| 3 Year Benefit Period: With 5% Indexing, by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 24.600 | 21.814 | 18.360 | 15.696 | 17.405 | 15.301 | 12.682 | 10.594 |
| 65 | 56.776 | 49.806 | 40.892 | 33.041 | 61.700 | 54.195 | 44.736 | 36.849 |
| 75 | 199.069 | 173.657 | 141.022 | 110.587 | 246.582 | 217.678 | 180.980 | 148.569 |
| 85 | 720.577 | 624.631 | 498.569 | 370.597 | 1,127.751 | 997.450 | 829.691 | 675.071 |
| 95 | 1,480.743 | 1,265.056 | 985.642 | 704.848 | 2,692.324 | 2,381.591 | 1,981.887 | 1,593.833 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| 6 Year Benefit Period: With 5% Indexing, by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 40.663 | 36.209 | 30.611 | 26.063 | 28.596 | 25.356 | 21.302 | 18.053 |
| 65 | 87.037 | 76.758 | 63.562 | 51.845 | 98.418 | 87.066 | 72.682 | 60.530 |
| 75 | 288.125 | 252.176 | 205.699 | 161.834 | 385.377 | 341.568 | 285.626 | 235.881 |
| 85 | 983.249 | 854.340 | 684.615 | 512.752 | 1,706.913 | 1,511.772 | 1,258.830 | 1,022.071 |
| 95 | 1,981.558 | 1,700.429 | 1,334.595 | 965.828 | 3,911.115 | 3,457.511 | 2,869.179 | 2,293.217 |

| Sample Claim Costs Per \$1,000 of Monthly Benefit | | | | | | | | |
|--|--------------------|------------------|------------------|------------------|----------------------|------------------|------------------|------------------|
| Lifetime Benefit Period: With 5% Indexing, by Elimination Period (weeks) | | | | | | | | |
| Attained | <u>Male</u> | | | | <u>Female</u> | | | |
| <u>Age</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> | <u>6</u> | <u>12</u> | <u>25</u> | <u>52</u> |
| 55 | 66.815 | 59.669 | 50.656 | 43.258 | 53.908 | 48.202 | 41.081 | 35.518 |
| 65 | 137.069 | 121.336 | 101.120 | 83.171 | 170.268 | 151.622 | 128.048 | 108.489 |
| 75 | 419.057 | 367.708 | 301.230 | 238.389 | 619.691 | 551.371 | 464.136 | 387.224 |
| 85 | 1,385.424 | 1,206.606 | 971.090 | 732.839 | 2,531.735 | 2,246.039 | 1,875.232 | 1,527.585 |
| 95 | 2,761.476 | 2,375.818 | 1,873.556 | 1,367.068 | 5,584.030 | 4,942.029 | 4,108.029 | 3,290.544 |

Actuarial Certification

I, Gregory Gurlik, am an Actuary and an officer of the Northwestern Long Term Care Insurance Company and am a member in good standing of the American Academy of Actuaries. I wrote the Actuarial Memorandum for the rate increase filing for form TT.LTC.(1010). The assumptions used as stated in this memorandum are reasonable and realistic for this product. To the best of my knowledge and judgment, this filing complies with the laws and regulations of your state and the benefits are reasonable in relation to the premiums charged.



Actuary

February 23, 2017

Date

Northwestern Long Term Care Insurance Company

Side by Side Comparison of UU.LTC.(0916) New Business Premium Rates and TT.LTC.(1010) Revised Premium Rates

Premium rates under the UU.LTC.(0916) policy form are on a sex distinct basis, whereas TT.LTC.(1010) premium rates are on a sex neutral basis. In order to compare the sex neutral rates to the sex distinct rates, the following Male-Female blend has been applied to the UU.LTC.(0916) rates for each discount type, consistent with the actual inforce gender mix for TT.LTC.(1010):

Single: 40% Male, 60% Female

Spousal 1: 44% Male, 56% Female

Spousal 2: 50% Male, 50% Female

The TT.LTC.(1010) revised premium rates are lower than the UU.LTC.(0916) new business premium rates for all policy types and issue ages.

Northwestern Long Term Care Insurance Company

Lifetime Pay Long-Term Care Policy Annual Premium

\$5,000 Maximum Monthly Limit for TT.LTC.(1010) Revised Sex Neutral Rates

\$5,000 Maximum Monthly Limit for UU.LTC.(0916) Sex Distinct New Business Rates - 40% Male, 60% Female Blend

No Discount/Single, 12 Week Elimination Period

| 3 Year Benefit Period No Indexing | | | |
|--------------------------------------|---------------|---------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC.(0916) | Difference |
| 25 | 535 | 938 | -43% |
| 30 | 590 | 1,030 | -43% |
| 35 | 645 | 1,146 | -44% |
| 40 | 710 | 1,279 | -44% |
| 52 | 1,175 | 1,705 | -31% |
| 57 | 1,500 | 2,072 | -28% |
| 62 | 2,035 | 2,643 | -23% |
| 67 | 3,015 | 3,719 | -19% |
| 72 | 4,945 | 5,513 | -10% |
| 77 | 7,170 | 8,111 | -12% |

| 3 Year Benefit Period Automatic Benefit Increase Option | | | |
|--|---------------|---------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC.(0916) | Difference |
| 25 | 3,275 | 11,242 | -71% |
| 30 | 3,330 | 10,340 | -68% |
| 35 | 3,385 | 9,618 | -65% |
| 40 | 3,450 | 8,905 | -61% |
| 52 | 4,050 | 7,431 | -45% |
| 57 | 4,450 | 7,347 | -39% |
| 62 | 5,170 | 7,523 | -31% |
| 67 | 6,575 | 8,791 | -25% |
| 72 | 9,255 | 10,953 | -16% |
| 77 | 11,900 | 13,551 | -12% |

| 3 Year Benefit Period Automatic Additional Purchase Benefit | | | |
|--|---------------|---------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC.(0916) | Difference |
| 25 | 565 | 962 | -41% |
| 30 | 625 | 1,057 | -41% |
| 35 | 680 | 1,178 | -42% |
| 40 | 750 | 1,314 | -43% |
| 52 | 1,250 | 1,759 | -29% |
| 57 | 1,600 | 2,137 | -25% |
| 62 | 2,185 | 2,743 | -20% |
| 67 | 3,245 | 3,873 | -16% |
| 72 | 5,340 | 5,795 | -8% |
| 77 | 7,770 | 8,687 | -11% |

| 6 Year Benefit Period No Indexing | | | |
|--------------------------------------|---------------|---------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC.(0916) | Difference |
| 25 | 730 | 1,274 | -43% |
| 30 | 825 | 1,424 | -42% |
| 35 | 905 | 1,618 | -44% |
| 40 | 955 | 1,828 | -48% |
| 52 | 1,615 | 2,537 | -36% |
| 57 | 2,065 | 3,142 | -34% |
| 62 | 2,800 | 4,099 | -32% |
| 67 | 4,150 | 5,789 | -28% |
| 72 | 6,815 | 8,623 | -21% |
| 77 | 10,825 | 12,955 | -16% |

| 6 Year Benefit Period Automatic Benefit Increase Option | | | |
|--|---------------|---------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC.(0916) | Difference |
| 25 | 4,835 | 16,926 | -71% |
| 30 | 4,930 | 15,529 | -68% |
| 35 | 5,010 | 14,446 | -65% |
| 40 | 5,060 | 13,314 | -62% |
| 52 | 5,870 | 11,039 | -47% |
| 57 | 6,405 | 10,931 | -41% |
| 62 | 7,350 | 11,212 | -34% |
| 67 | 9,305 | 13,149 | -29% |
| 72 | 13,185 | 16,376 | -19% |
| 77 | 18,420 | 20,708 | -11% |

| 6 Year Benefit Period Automatic Additional Purchase Benefit | | | |
|--|---------------|---------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC.(0916) | Difference |
| 25 | 800 | 1,341 | -40% |
| 30 | 900 | 1,502 | -40% |
| 35 | 985 | 1,709 | -42% |
| 40 | 1,045 | 1,936 | -46% |
| 52 | 1,785 | 2,696 | -34% |
| 57 | 2,295 | 3,362 | -32% |
| 62 | 3,120 | 4,412 | -29% |
| 67 | 4,645 | 6,298 | -26% |
| 72 | 7,660 | 9,515 | -19% |
| 77 | 12,215 | 14,898 | -18% |

Northwestern Long Term Care Insurance Company

Lifetime Pay Long-Term Care Policy Annual Premium

\$5,000 Maximum Monthly Limit for TT.LTC.(1010) Revised Sex Neutral Rates

\$5,000 Maximum Monthly Limit for UU.LTC.(0916) Sex Distinct New Business Rates - 44% Male, 56% Female Blend

Spousal - One Insured Discount, 12 Week Elimination Period

| 3 Year Benefit Period No Indexing | | | |
|--------------------------------------|---------------|---------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC.(0916) | Difference |
| 25 | 455 | 882 | -48% |
| 30 | 502 | 968 | -48% |
| 35 | 548 | 1,076 | -49% |
| 40 | 604 | 1,199 | -50% |
| 52 | 999 | 1,594 | -37% |
| 57 | 1,275 | 1,938 | -34% |
| 62 | 1,730 | 2,473 | -30% |
| 67 | 2,563 | 3,476 | -26% |
| 72 | 4,203 | 5,148 | -18% |
| 77 | 6,095 | 7,571 | -20% |

| 3 Year Benefit Period Automatic Benefit Increase Option | | | |
|--|---------------|---------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC.(0916) | Difference |
| 25 | 2,784 | 10,469 | -73% |
| 30 | 2,831 | 9,627 | -71% |
| 35 | 2,877 | 8,951 | -68% |
| 40 | 2,933 | 8,282 | -65% |
| 52 | 3,443 | 6,895 | -50% |
| 57 | 3,783 | 6,817 | -45% |
| 62 | 4,395 | 6,989 | -37% |
| 67 | 5,589 | 8,163 | -32% |
| 72 | 7,867 | 10,182 | -23% |
| 77 | 10,115 | 12,605 | -20% |

| 3 Year Benefit Period Automatic Additional Purchase Benefit | | | |
|--|---------------|---------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC.(0916) | Difference |
| 25 | 480 | 905 | -47% |
| 30 | 531 | 993 | -46% |
| 35 | 578 | 1,106 | -48% |
| 40 | 638 | 1,232 | -48% |
| 52 | 1,063 | 1,644 | -35% |
| 57 | 1,360 | 1,998 | -32% |
| 62 | 1,857 | 2,565 | -28% |
| 67 | 2,758 | 3,618 | -24% |
| 72 | 4,539 | 5,406 | -16% |
| 77 | 6,605 | 8,101 | -18% |

| 6 Year Benefit Period No Indexing | | | |
|--------------------------------------|---------------|---------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC.(0916) | Difference |
| 25 | 621 | 1,195 | -48% |
| 30 | 701 | 1,335 | -47% |
| 35 | 769 | 1,515 | -49% |
| 40 | 812 | 1,710 | -53% |
| 52 | 1,373 | 2,369 | -42% |
| 57 | 1,755 | 2,934 | -40% |
| 62 | 2,380 | 3,826 | -38% |
| 67 | 3,528 | 5,400 | -35% |
| 72 | 5,793 | 8,032 | -28% |
| 77 | 9,201 | 12,060 | -24% |

| 6 Year Benefit Period Automatic Benefit Increase Option | | | |
|--|---------------|---------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC.(0916) | Difference |
| 25 | 4,110 | 15,739 | -74% |
| 30 | 4,191 | 14,436 | -71% |
| 35 | 4,259 | 13,423 | -68% |
| 40 | 4,301 | 12,363 | -65% |
| 52 | 4,990 | 10,226 | -51% |
| 57 | 5,444 | 10,129 | -46% |
| 62 | 6,248 | 10,404 | -40% |
| 67 | 7,909 | 12,193 | -35% |
| 72 | 11,207 | 15,193 | -26% |
| 77 | 15,657 | 19,221 | -19% |

| 6 Year Benefit Period Automatic Additional Purchase Benefit | | | |
|--|---------------|---------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC.(0916) | Difference |
| 25 | 680 | 1,257 | -46% |
| 30 | 765 | 1,407 | -46% |
| 35 | 837 | 1,599 | -48% |
| 40 | 888 | 1,809 | -51% |
| 52 | 1,517 | 2,515 | -40% |
| 57 | 1,951 | 3,136 | -38% |
| 62 | 2,652 | 4,114 | -36% |
| 67 | 3,948 | 5,867 | -33% |
| 72 | 6,511 | 8,850 | -26% |
| 77 | 10,383 | 13,836 | -25% |

Northwestern Long Term Care Insurance Company

Lifetime Pay Long-Term Care Policy Annual Premium

\$5,000 Maximum Monthly Limit for TT.LTC.(1010) Revised Sex Neutral Rates

\$5,000 Maximum Monthly Limit for UU.LTC.(0916) Sex Distinct New Business Rates - 50% Male, 50% Female Blend

Spousal - Two Insured Discount, 12 Week Elimination Period

| 3 Year Benefit Period No Indexing | | | |
|--------------------------------------|---------------|---------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC.(0916) | Difference |
| 25 | 375 | 732 | -49% |
| 30 | 413 | 802 | -49% |
| 35 | 452 | 890 | -49% |
| 40 | 497 | 990 | -50% |
| 52 | 823 | 1,310 | -37% |
| 57 | 1,050 | 1,594 | -34% |
| 62 | 1,425 | 2,034 | -30% |
| 67 | 2,111 | 2,856 | -26% |
| 72 | 3,462 | 4,222 | -18% |
| 77 | 5,019 | 6,206 | -19% |

| 3 Year Benefit Period Automatic Benefit Increase Option | | | |
|--|---------------|---------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC.(0916) | Difference |
| 25 | 2,293 | 8,550 | -73% |
| 30 | 2,331 | 7,860 | -70% |
| 35 | 2,370 | 7,302 | -68% |
| 40 | 2,415 | 6,750 | -64% |
| 52 | 2,835 | 5,598 | -49% |
| 57 | 3,115 | 5,536 | -44% |
| 62 | 3,619 | 5,686 | -36% |
| 67 | 4,603 | 6,636 | -31% |
| 72 | 6,479 | 8,292 | -22% |
| 77 | 8,330 | 10,276 | -19% |

| 3 Year Benefit Period Automatic Additional Purchase Benefit | | | |
|--|---------------|---------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC.(0916) | Difference |
| 25 | 396 | 750 | -47% |
| 30 | 438 | 822 | -47% |
| 35 | 476 | 914 | -48% |
| 40 | 525 | 1,016 | -48% |
| 52 | 875 | 1,350 | -35% |
| 57 | 1,120 | 1,642 | -32% |
| 62 | 1,530 | 2,108 | -27% |
| 67 | 2,272 | 2,970 | -24% |
| 72 | 3,738 | 4,428 | -16% |
| 77 | 5,439 | 6,630 | -18% |

| 6 Year Benefit Period No Indexing | | | |
|--------------------------------------|---------------|---------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC.(0916) | Difference |
| 25 | 511 | 988 | -48% |
| 30 | 578 | 1,102 | -48% |
| 35 | 634 | 1,248 | -49% |
| 40 | 669 | 1,406 | -52% |
| 52 | 1,131 | 1,942 | -42% |
| 57 | 1,446 | 2,406 | -40% |
| 62 | 1,960 | 3,136 | -38% |
| 67 | 2,905 | 4,422 | -34% |
| 72 | 4,771 | 6,562 | -27% |
| 77 | 7,578 | 9,844 | -23% |

| 6 Year Benefit Period Automatic Benefit Increase Option | | | |
|--|---------------|---------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC.(0916) | Difference |
| 25 | 3,385 | 12,824 | -74% |
| 30 | 3,451 | 11,756 | -71% |
| 35 | 3,507 | 10,924 | -68% |
| 40 | 3,542 | 10,050 | -65% |
| 52 | 4,109 | 8,282 | -50% |
| 57 | 4,484 | 8,208 | -45% |
| 62 | 5,145 | 8,448 | -39% |
| 67 | 6,514 | 9,890 | -34% |
| 72 | 9,230 | 12,334 | -25% |
| 77 | 12,894 | 15,616 | -17% |

| 6 Year Benefit Period Automatic Additional Purchase Benefit | | | |
|--|---------------|---------------|------------|
| Issue Age | TT.LTC.(1010) | UU.LTC.(0916) | Difference |
| 25 | 476 | 1,038 | -54% |
| 30 | 536 | 1,160 | -54% |
| 35 | 586 | 1,316 | -55% |
| 40 | 622 | 1,486 | -58% |
| 52 | 1,062 | 2,060 | -48% |
| 57 | 1,366 | 2,568 | -47% |
| 62 | 1,856 | 3,366 | -45% |
| 67 | 2,764 | 4,794 | -42% |
| 72 | 4,558 | 7,214 | -37% |
| 77 | 7,268 | 11,250 | -35% |

Health Insurance Rate Request Summary
Part 1 – To Be Completed By Company

Reset Form

| | |
|--|---|
| Company Name and NAIC Number: | Northwestern Long Term Care Insurance Company |
| SERFF Tracking Number: | NWST-130932377 |
| Effective Date: | 08/01/2017 |
| (Projected) Number of Insureds Affected: | 2,472 |
| New Rates | |
| Average Annual Premium Per Member: | \$2,748 |

Revised Rates

| | |
|--|---------|
| Average Annual Premium Per Member: | \$3,460 |
| Average Requested Percentage Rate Change Per Member: | 25.9% |
| Minimum Requested Percentage Rate Change Per Member: | 0% |
| Maximum Requested Percentage Rate Change Per Member: | 30% |

Plans Affected
(The Form Number and "Product Name")

| Form# | "Product Name"(if applicable) |
|---------------|-------------------------------|
| TT.LTC.(1010) | QuietCare TT |

Attach a brief narrative to summarize the key information used to develop the rates including the main drivers for new or revised rates.

This document is intended to help explain the rate filing and it is only a summary of the company's request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing.